



Tasman District Council

Annual Plan 2011/2012
and Amendment to
Ten Year Plan 2009-2019
Treasury Management Policy

"A community is more sustainable when all the threads pull together as one."

Tasman District Council

Annual Plan 2011/2012

"A community is more sustainable when all the threads pull together as one."

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Amendment to Ten Year Plan 2009-2019
Treasury Management Policy 285



Membership of the Council

Tasman Mayor



Mayor Richard Kempthorne

Moutere/Waimea Ward



Cr Brian Ensor



Deputy Mayor, Cr Tim King



Cr Trevor Norriss

Lakes/Murchison Ward



Cr Stuart Bryant

Golden Bay Ward



Cr Martine Bouillir



Cr Noel Riley

Motueka Ward



Cr Barry Dowler



Cr Jack Inglis



Cr Eileen Wilkins

Richmond Ward



Cr Kit Maling



Cr Judene Edgar



Cr Glenys Glover



Cr Zane Mirfin



Part 1 – Introduction

Welcome to Tasman District Council's Annual Plan 2011/2012

What is an Annual Plan?

The Annual Plan outlines the activities and the services Council is planning to provide over the coming year. The public had the opportunity to put in submissions on the Draft Annual Plan, stating what they like and don't like, and anything they think should be included or excluded.

Once the public consultation phase was completed Council made decisions on any changes, for inclusion in this Annual Plan.

The Annual Plan states the vision for the District, the outcomes sought by the community, the services and activities Council is planning to undertake to contribute to those outcomes, and the costs of Council providing those services and activities during the 2011/2012 financial year.

It is important to note that the financial information contained in this Annual Plan is forecast information based on the assumptions which Council reasonably expects to occur. Actual results achieved are likely to vary from the information presented and these variations may at times be quite large. That being said, we have endeavoured to make sure that our financial forecasts are as accurate as we can make them based on the information we currently have.

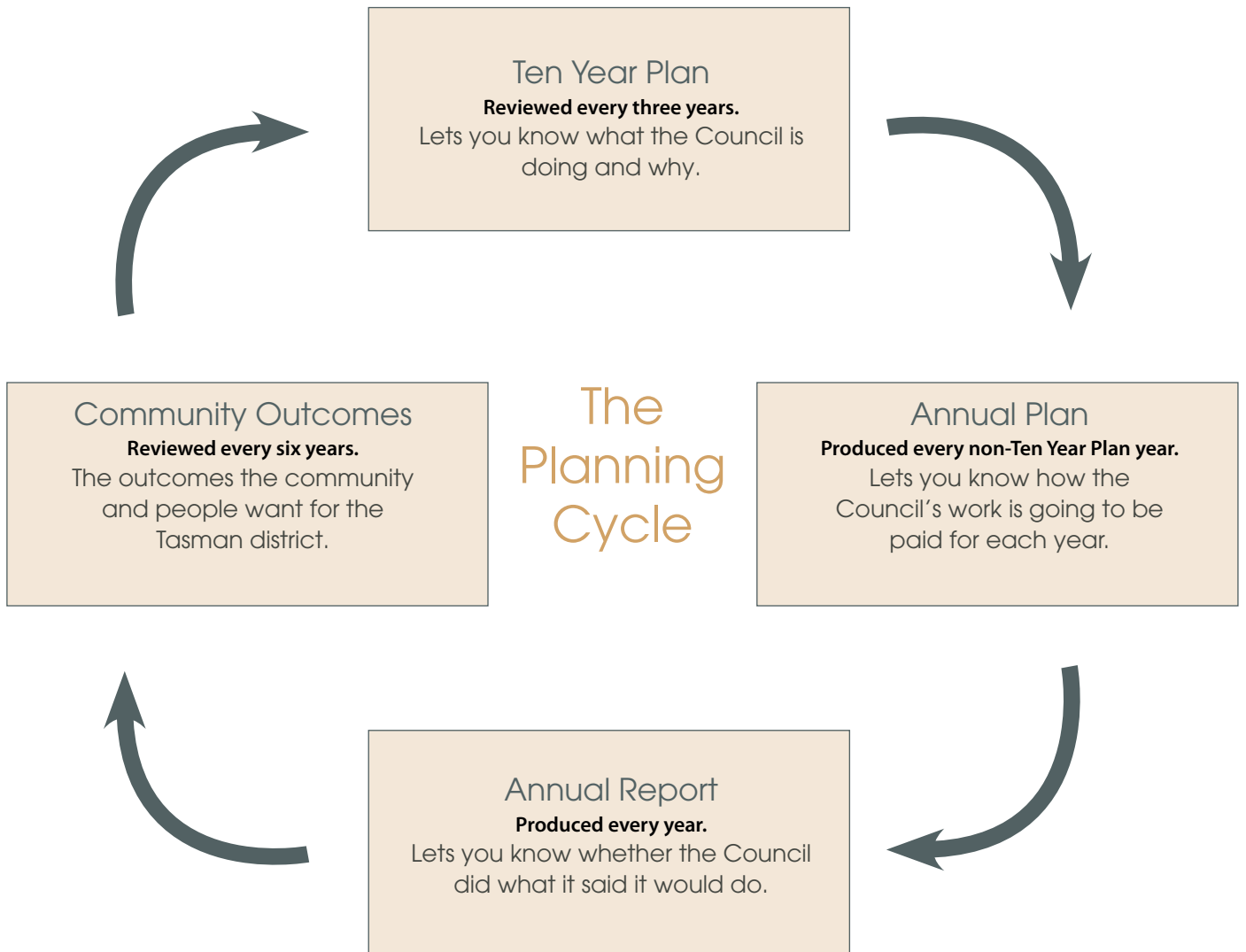
Please note that all figures in this document are GST exclusive, unless stated otherwise.

Under the Local Government Act 2002, Tasman District Council is required to produce an Annual Plan. An Annual Plan is produced each year between the three yearly reviews of the Ten Year Plan (refer diagram on next page).

This Annual Plan covers the third year of the Ten Year Plan 2009 – 2019. In preparing this Plan, we have tried to keep to the Ten Year Plan as much as possible. However, there have been a few amendments, which have been necessary to respond to changing circumstances and to keep rates increases down. These amendments are outlined on pages 21 – 30.

The Ten Year Plan helps provide the context for this Annual Plan.

The Annual Plan states the vision for the District, the outcomes sought by the community, the services and activities Council is planning to undertake...



Map of Tasman District



How to find your way around the Annual Plan

For first time readers, this section provides a beginners guide to the Annual Plan. For those who are more familiar with Council documents, reading this section will enable you to find the information you need more quickly.

We have done our best to keep jargon and abbreviations to a minimum, but there are some words that have been used because of legislation or the specialised activities that Council carries out. For example, 'community outcomes' comes from the Local Government Act. Please refer to the glossary in Appendix 1 (page 268) for an explanation of unfamiliar terms.

The Plan

Part 1, the introductory part of this document provides an executive summary of the rating information and what ratepayers get for their rates. It outlines the main changes from the Ten Year Plan 2009-2019. The Council's Vision, Mission and Community Outcomes are outlined at the end of this part.

Part 2 outlines:

- The services Council plans to provide and to what level.
- What key projects will be undertaken and when they will occur.
- How much Council plans to spend on its activities, services or projects.

Part 3 outlines information on the Community Facilities Rate and the projects funded by that rate and by reserve financial contributions.

Part 4 covers the accounting information, rates information, and fees and charges.

Part 5 provides summaries of various Council policies.

Part 6 contains the Appendices.

Mayor's Message

With the publication of this Annual Plan document, we have once again come to the end of the Annual Plan process. The process has been an important one. It was your opportunity to have input into the services and activities that Council undertakes for the residents in our District. My fellow Councillors and I have valued this opportunity to hear your views, concerns and aspirations.

This Annual Plan has not been an easy one to prepare. The natural disasters our District experienced during 2010 has left us with a depleted general disaster fund and previously unplanned work to recover from the events which occurred. These things have put pressure on our finances and created the need to replenish the general disaster fund, which has led to higher than expected rates increase for 2011/2012.

During the submission process on the Draft Annual Plan, Council received requests for additional expenditure of around \$24 million for the 2011/2012 year. Council considered that the impact on rates of meeting these requests would be unaffordable for our community, so we have declined nearly all of the requests.

As it is, Council has cut a number of projects previously planned for the year out of the budget in order to keep rates down. We have ended up with a general rate rise this year of 6.05 percent, which includes 1.98 percent to replenish the general disaster fund and replace the James Road bridge. Overall rates increases, including general and targeted rates, will range from about 4 percent to 7 percent for most properties. However, some properties will differ from this because of the different targeted rates that apply in various areas.

Council's focus is to ensure we maintain and enhance our beautiful District. Councillors, staff and I have spent considerable time to ensure we have trimmed Council's work programme, where possible, while maintaining core services. We aim to make great decisions to benefit the whole District. I would like to acknowledge the huge contribution our staff play in preparing the Annual Plan.

On behalf of the Council, I would also like to extend a big "thank you" to those of you who took the time to contribute to this Annual Plan through submissions or discussions with Councillors and staff. Your input has helped shape the future of the Tasman District.

Richard Kempthorne
Mayor



Chief Executive's Introduction

The Annual Plan contained in this document is largely based on what Council proposed in the third year of its Ten Year Plan.

There are, however, a few proposed changes to take account of updated circumstances and Council wanting to keep rates increases to a minimum. The main changes are in the following areas:

- An additional increase on the general rate of 1.98 percent per annum for two years, to provide funding for replenishing the General Disaster Fund and replacing the James Road Bridge.
- An increase in the river rate to fund river maintenance and protection works.
- Transportation changes – public transport funding is being deleted, cycle and walkway project funding is being reallocated to the Tasman Loop of the New Zealand cycleway, roading maintenance budgets are being reduced, the Gibbs Valley Road seal extension project is being deferred but some minor safety improvements will be undertaken, improvements to Turner's Bluff on the Kaiteriteri Road are added to the work programme, and the project to enhance the entrances into the Richmond central business area is being deferred.
- The upgrade of the grass runway at Motueka aerodrome is being deferred while a review of aerodrome management is to be undertaken.
- Additional expenditure is planned on navigational aids and the Mapua Wharf. These are both funded from increased commercial rentals.
- Water supply – the upgrade of the Murchison water treatment plant is being deferred, as is some of the budget for work on the Richmond water treatment plant; installation of a new water main is proposed in Poole Street, Motueka to coincide with stormwater improvements; and additional funding has been provided for investigation of the Coastal Tasman Pipeline.
- A new water services agreement is planned between Nelson City Council and Tasman District Council for Nelson City Council to take over the supply of water to Nelson City ratepayers in parts of Stoke that are currently supplied by Tasman District Council.
- Wastewater – deferral of the replacement of wastewater mains from Courtney Street to Hau Road, Motueka and in Williams Street, Richmond, and deferral of the Takaka Wastewater Treatment Plant upgrade to enable wider public consultation. The contribution sought from Council for the operation of the Nelson Regional Sewerage Business Unit has reduced.
- Stormwater – deferral of stage 2 of the upgrade of Pohara township stormwater system and the upgrade of Poutama Drain, Richmond. A new project is planned to upgrade the stormwater infrastructure in Swiftsure Street/Gibbs Road, Collingwood.
- Solid waste – deferral of new public place recycling bins and capital works relating to green waste disposal, and a reduction in waste education. A new small project is planned for a leachate pump station.
- Delay in leasing Collingwood camping ground while some property issues are resolved.
- Forestry dividend – is likely to be around \$100,000 less than anticipated due to lack of harvestable trees.
- Port Tarakohe general rate contribution has increased due to less revenue than anticipated.
- The undergrounding of powerlines in High Street Motueka has been deferred for one year.
- There has been a small increase in the budget for civil defence for the establishment of a Group Emergency Operation Centre.
- Motorsports facility – deferral of funding towards the motorsport facility until 2012/2013.
- Mapua Public Hall – deferral of funding towards the hall upgrade until 2012/2013, but up to \$65,000 has been provided for preparing building plans in the 2011/2012 budget.

Chief Executive's Introduction (cont.)

- Motueka Swimming Pool – deferral of part of the funding until 2012/2013, but retain \$750,000 in the 2011/2012 budget.
- Deferral of some projects funded from the Reserves Financial Contributions account, offset in part by the addition of a few new projects.
- Interest rates – loan servicing costs reduced from 7.2 percent to 6.6 percent.
- Insurance costs – increased insurance costs to cover infrastructure and for insurance against weather-tight homes.
- Delay in implementing the Holding Company and associated benefits.
- Tourism rate – slight decrease in the targeted tourism rate.
- Fees and charges – most increase by 3 percent for inflation, some other increases will occur, as will new fees in a few areas.
- Council is increasing the Uniform Annual General Charge by \$20 per rateable property.
- Increase in the Wai-iti Dam rate.
- Increases to the Eighty-Eight Valley, Redwoods Valley, Dovedale/Neudorf and Hamama Rural Water Scheme rates.
- Increases in the urban water supply rates and charges.
- The Motueka Community Board has asked for an increase in the Motueka Community Board Targeted Rate by \$4.34 (excl GST) per rateable property to enable additional projects to be undertaken in the Motueka Ward. The additional funding generated from the rate increase will be around \$25,000. The rate is, therefore, proposed to be \$12.57 (excl GST) per property. Without the proposed increase the rate would have been \$8.23 (excl GST) (2010/2011 is \$9.73).
- Motueka water supply funding from central government.
- Implications of the Canterbury earthquakes on our ability to deliver our work programmes due to shortages of resources, for example staff, contractors and consultants.
- Fuel prices and costs of oil-based products (e.g. bitumen).
- Lee Valley Dam proposal.

We are still planning to undertake a number of infrastructure and planning projects during 2011/2012. Some of the key projects include:

- A range of resource planning projects, including work on Richmond central business area, Motueka West, Mapua, Eastern Golden Bay, Western Golden Bay strategic development studies, completing the Rivers and Lakes section of the Tasman Resource Management Plan, reviewing water management provisions in the Motueka and Takaka water management zones, and reviewing the Regional Pest Management Strategy.
- Undertaking various resource investigations and "State of the Environment Monitoring".
- Turner's Bluff realignment and safety improvements.
- Tasman Loop of the New Zealand Cycleway – second year of a three year project.
- James Road Bridge replacement.
- Mapua Wharf upgrade.
- Lee Valley Dam investigations.
- New water main in Poole Street, Motueka.
- Richmond East water supply upgrade.
- Tapawera water supply pipeline renewals.
- Upgrade of Breaker Bay and Honeymoon Bay wastewater pump stations.
- Wastewater treatment plant upgrade and upgrade of mains in central Motueka.

There are also a few major issues and uncertainties we are facing through the preparation of the Annual Plan. These include:

- Stormwater improvements in Little Kaiteriteri, Motueka, Patons Rock and Collingwood.
- Lower Motueka River flood protection design and investigation.
- Mapua Waterfront Park and Old Wharf Road Youth Park development in Motueka.
- Brightwater Village Green land acquisition.

We are planning all these projects while maintaining existing services and our usual activities. All of this comes at a cost, which has led to the rates increases outlined by the Mayor. We are not proposing any new targeted rates in 2011/2012. Some existing targeted rates will, however, increase while others decrease. We are proposing to discontinue the St Arnaud wastewater rate, the Waimea fire blight control rate, the Port Motueka wastewater urban drainage rate, and the Pohara wastewater scheme rate.

If you would like to know further details on everything we are doing, please refer to the activity sections of this Annual Plan. If you would like further details on the key changes and uncertainties you can find this in pages 21 – 30.

I encourage you to read the Annual Plan and the amendment to the Ten Year Plan Treasury Management Policy, which is also included in this document.

Paul Wylie
Chief Executive



Examples of Total Rate Changes for Properties

To further clarify the rates rises between the 2010/2011 year to those for the Annual Plan 2011/2012, a selection of five properties from throughout the District have been summarised to provide a guide. It is important to note that these properties are a sample of the total properties and do not cover all situations for the 21,500 ratepayers in the District.

The following table is GST inclusive. It covers the total rates increases, incorporating the increases in the General Rate of 4.07 percent, Targeted Rates, and the additional 1.98 percent on the General Rate for replenishing Council’s General Disaster Fund and replacing the James Road Bridge.

	CV	2010/2011 Rates	2011/2012 Proposed Rates	% Increase	\$ Increase
Richmond Residential	\$455,000	\$2,468.90	\$2,611.29	5.77%	\$142.39
Motueka Residential	\$285,000	\$2,219.90	\$2,363.91	6.49%	\$144.01
Golden Bay Farm	\$6,415,000	\$16,108.60	\$17,298.95	7.39%	\$1,190.35
Takaka Residential	\$270,000	\$2,107.00	\$2,223.16	5.51%	\$116.16
Murchison Residential	\$160,000	\$1,521.20	\$1,592.44	4.68%	\$71.24

Depending on particular circumstances and the effect of specific targeted rates, individual circumstances will vary from the above examples.

Council's Financial Performance Summary

The financial information in this plan reflects the activities and projects the Council has identified as priorities, and is planning to deliver over the coming year.

Council's overall financial summary (figures excluding GST):

	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
General Rates	27,713,000	30,008,000	29,779,000
Targeted Rates	24,892,000	29,833,000	26,644,000
Total Debt	142,004,000	161,941,000	153,316,000
Cash & Cash Equivalents	3,907,000	6,390,000	1,497,000

Please refer to pages 212 – 219 for Council's full prospective comprehensive income statement, prospective balance sheet, prospective cash flow statement, prospective statement of changes in equity, prospective cash flow reconciliation, projected revenue by activity and summary funding impact statement.

Consultation and Submissions

The Council would like to thank all of the groups and individuals who provided input into the preparation of this Annual Plan and who submitted on the Draft Annual Plan. Your input has been invaluable.

We have had discussions with, or received information from, the Motueka and Golden Bay Community Boards, various community associations, iwi, youth groups, business groups and primary sector groups. These discussions and the submissions from individuals provided us with valuable information on what the people in Tasman would like to see and their views on the priorities for the 2011/2012 year in Tasman District.

The information was considered by the Council in the preparation of the Draft Annual Plan, and this final Annual Plan. It informed and assisted Council decision making. Unfortunately we cannot do everything asked for without generating large rate increases, which the Council considered was not in the interests of the wider community. In the submissions on the Draft Annual Plan Council received requests for a further \$24 million worth of expenditure for the 2011/2012 year. To grant all these requests would have been totally unaffordable for our community (refer to Appendix 2 for a summary of the additional requests for funding contained in the submissions of the Draft Annual Plan). Council consulted extensively on the Ten Year Plan two years ago and has tried not to vary much from that Plan. Year 3 of the Ten Year Plan has been used as the basis for this Annual Plan.

The Draft Annual Plan was publicly notified on 20 March 2011 and submissions on the Plan were called for. Submissions closed on 21 April 2011.

We produced a Summary of the Draft Annual Plan, as a special edition of Council's Newsline. The Summary was sent to every household and ratepayer in the District. Copies of the full Draft Annual Plan were available on the Council's website, CD or hardcopy at Council's offices and libraries. The 17 Settlements Document provided a summary of what was being proposed in each of the District's 17 Settlements.

Council also prepared a summary of information on the statement of proposal for an amendment to Council's Ten Year Plan, in particular the Treasury Management Policy contained in Volume 2 of the Plan.

We ran a series of consultation discussion sessions around the District on the Draft Annual Plan during late March/early April. The public consultation included informal discussions sessions during the daytime with Councillors and staff available to answer questions, usually followed by a more formal presentation and question sessions in the evenings. Several of the evening sessions were held in conjunction with local community association meetings.

Around 550 submissions were received on the Draft Annual Plan with 97 submitters wishing to be heard. We held four days of hearings around the District in May to listen to the submissions. The hearings were followed by two days of workshops in late May for Councillors to discuss the submissions. The Council considered its response to the submissions at a meeting on 9 June 2011.

The key topics raised in the submissions, along with the approximate number of submissions, were:

- Saxton Field and Stadium matters, including the cycling track – 377 submissions.
- Community facilities including district and regional facilities, reserves, museums and pools (excluding Saxton Field and Stadium) – 47 submissions.
- Rates affordability and targeted rates – 30 submissions.
- Roothing, cycleways and footpaths – 31 submissions.
- River management and rating – 10 submissions.
- Other engineering matters, including water, wastewater, stormwater, solid waste, passenger transport – 31 submissions.
- Environment and planning matters, including pest control, regulatory and sustainability matters – 23 submissions.
- Amendment to the Treasury Management Policy in the Ten Year Plan 2009 – 2019 – 12 submissions.

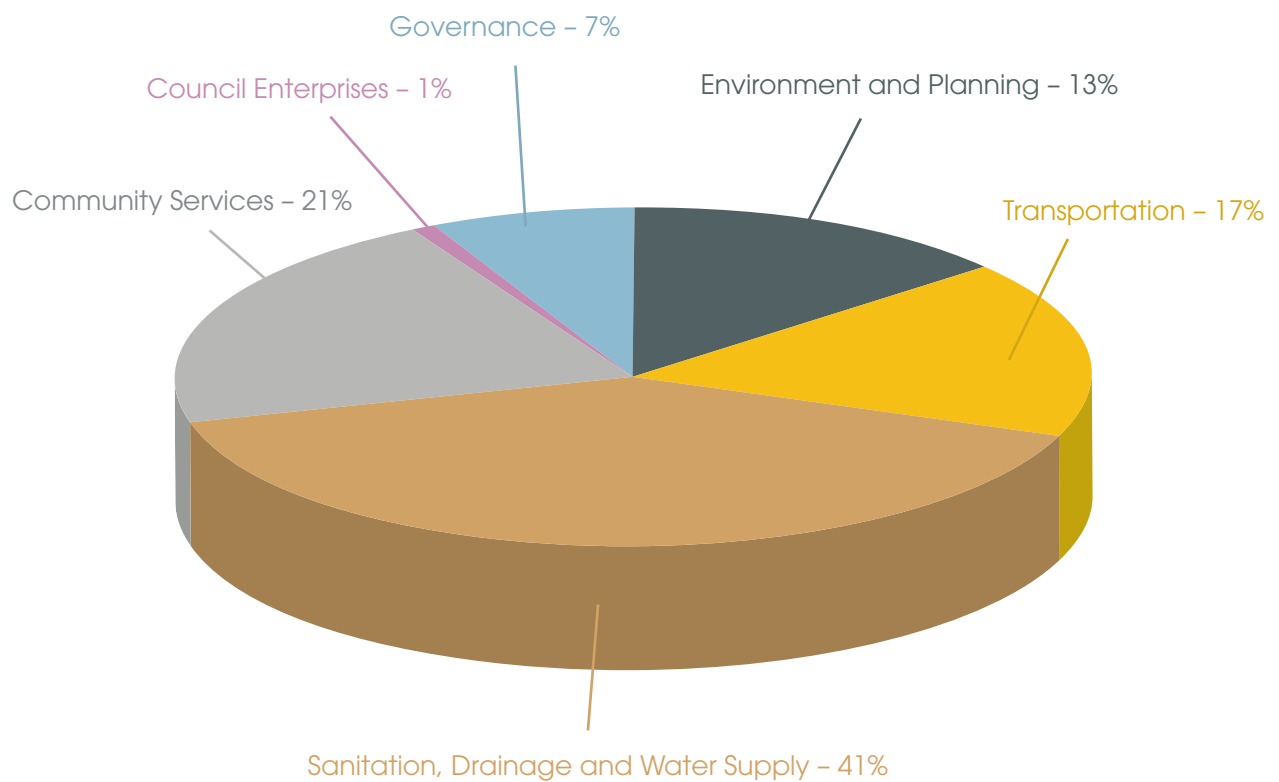
Council adopted this final Annual Plan on 30 June 2011.



Ngatimoti Hall

Where your rates go

Services provided and the proportion of rates proposed to be spent on operational costs for these services in 2011/2012.



See opposite page for breakdowns of services provided and the proportion of rates proposed to be spent on operational costs in 2011/2012.

Environment and Planning – 13%

- Resource Policy
- Resource and Environmental Information
- Resource Consents
- Environmental Monitoring
- Regulatory Services – animal control, building consents, health and liquor licensing and inspections, parking control
- Land Information
- Civil Defence Emergency Management
- Rural Fire
- Environmental Education
- Maritime Safety
- Biosecurity/Pest Control.

Transportation – 17%

- Roading - 1,680km of roads: 915km sealed, 765km unsealed, 467 bridges and footbridges, 184km footpaths, 21 carparks, 3,735 streetlights.
- Coastal Structures – wharves at Mapua and Riwaka, responsibility for Port Motueka, jetties and boat ramps, coastal protection works at Ruby Bay/Mapua and Marahau, operation of Port Tarakohe.
- Motueka and Takaka Aerodromes.

Sanitation, Drainage and Water Supply – 41%

- Water – 16 water supply areas, 659km pipelines, 34 pumping stations, 11,387 domestic connections, 44 reservoirs, Wai-iti Dam.
- Wastewater – 14 Urban Drainage Areas, 323km pipeline, 2,250 manholes, 75 sewerage pumping stations, 7 wastewater treatment plants.
- Stormwater – 16 Urban stormwater drainage areas operating as a single club and 1 general district area, assets used include drainage channels, piped reticulation networks, tide gates, detention or ponding areas, inlet structures, discharge structures.
- Solid Waste – 1 operational landfill and 22 closed landfills, 5 resource recovery centres.
- Rivers – Council maintains 285km of rivers, assets include river protection works such as stopbanks, rock and willows.

Community Services – 21%

- Parks and Reserves – 598ha of reserve land and 47 playgrounds.
- Community Recreation.
- 24 Public Halls and Community Buildings.
- Community Facilities and Pools.
- Cultural Services and Community Grants.
- 4 Public Libraries.
- 12 Cemeteries.
- 64 Public Conveniences.

Non-rate funded activities:

- 4 commercially operated Camping Grounds.
- Community Housing – 97 Pensioner Cottages.

Council Enterprises – 1%

- Forestry.
- Property.
- Council Controlled Organisations – including Nelson Airport Ltd and Port Nelson Ltd.

Governance – 7%

- Council Support.
- Elections.
- Representation reviews.
- Strategic Planning.
- Elected Representatives.
- Communication.



St Arnaud

Changes from the Ten Year Plan and Major Issues

The purpose of this section is to outline the changes from the proposals outlined in the Ten Year Plan 2009-2019 for the 2011/2012 year, made through the Annual Plan process. None of the changes are major or significant and all these projects together are not considered significant within the overall Council budget. A number of changes have been made to keep rates down to a lower level than previously signalled. Costs have been reduced while intending to retain existing service levels.

There have also been some small increases in non-rate income. Several of the changes relate to alterations in Government funding policies, which mean Council will no longer receive previously expected levels of Government subsidy for some functions (e.g. passenger transport and no inflation adjustment to roading subsidies from the New Zealand Transport Agency over the last two years). We signalled in the Ten Year Plan 2009-2019 that if Council did not receive the expected subsidies, we would not be proceeding with or may need to defer the services or activities.

This section also covers some other issues or uncertainties that may affect delivery of the work outlined in the final Annual Plan. The weather related event on 28 December 2010 which caused flooding and slips in Murchison, Wangapeka and Golden Bay has had an impact on the budgets for the 2011/2012 year.

The figures and rates in this section are excluding GST.

Changes

There have not been any major changes in the following activities:

- Resource Policy
- Resource Information
- Resource Consents and Compliance
- Environmental Education, Advocacy and Operations
- Regulatory Services
- Libraries
- Community Grants
- Community Recreation
- Community Facilities and Parks and Reserves
- Community Buildings
- Swimming Pools
- Public Conveniences
- Cemeteries
- Community Housing
- Property
- Council Controlled Organisations.

However, there have been changes in the following activities:

- Transportation
- Aerodromes
- Coastal Structures
- Water Supply
- Wastewater
- Stormwater
- Solid Waste
- Rivers
- Camping Grounds
- Forestry
- Governance.

We have also made changes to the Shared and District Facilities and the Schedule of Charges. These changes are outlined in the following paragraphs.

Changes from the Ten Year Plan and Major Issues (cont.)

Flood Damage – General Disaster Fund and River Z Funding

On 28th December 2010 the Tasman District experienced extremely heavy rainfall which led to significant flooding and damage to Council infrastructure and private property. This was particularly destructive in the Murchison, Wangapeka and Golden Bay areas. Council infrastructure, including roads, utility infrastructure and flood protection structures, incurred around \$6 million of damage. Some funding to repair or replace the infrastructure will come from central government and insurances, however, there is still a significant shortfall (approximately \$2 million) to be funded directly by Council and ratepayers.

Much of the Council funding will come from disaster funds which the Council has set aside funding for over a number of years for such major events. The 28th December event, combined with the Tapawera storm damage earlier in 2010, has depleted the Council's General Disaster Fund.

Council needs to replenish the funds in case of further severe natural disasters in the coming years. In order to do so, Council has imposed an additional general rate increase, above what would usually be needed for its normal operations, of 1.98 percent per annum over the next two years to help replenish the General Disaster Fund and to fund a loan to replace the James Road Bridge. A small portion of the rate increase will continue for a 20 year period to cover the cost of servicing the loan for the bridge replacement. The money raised will go into a closed fund that can only be used for addressing damage received from natural disasters.

The Tapawera storm damage and the December flood event affecting Golden Bay, Wangapeka and the Murchison areas have led to damage to rock work and river banks on several of the River Z classified rivers. Claims for assistance from landowners in these areas have far outstripped the funding Council has available for River Z classified rivers. The Council contribution may be up to a maximum of 50 percent of the cost of River Z protection works, with adjacent landowners funding the remainder.

In order to provide additional funding for river works in River Z classified rivers, Council has transferred \$100,000 that would generally be paid into the Council's Classified Rivers Protection Fund (subject to the fund balance being above \$1 million as at June 2011) into the River Z works budget. Council is also increasing the river rate, by 18.64 percent, to generate around an additional \$200,000 to go towards the River Z budget. These changes will provide a total of around \$400,000 in the River Z budget, when added to the existing funding. The funding will be used for maintenance of River Z classified rivers and to assist landowners adjacent to River Z classified rivers with river protection works.

Transportation:

There are several proposed changes from the Ten Year Plan for the Transportation activity over the coming year.

- Funding for passenger transport was deleted in the 2010/2011 year, as a result of the New Zealand Transport Agency (NZTA) no longer subsidising this activity. NZTA funding has been re-prioritised to passenger transport services in major urban areas. It is unaffordable for Council to provide the passenger transport services without the NZTA subsidy, therefore Council has deleted the activity from the 2011/2012 year in line with the decision made the previous year.
- Maintenance budgets for roading are reduced. This is due to NZTA not funding an allowance for inflation. This will be challenging and require very careful management by Council of the funding for maintaining the roads to retain current levels of service.
- The NZTA criteria for funding cycling and walking projects have changed. NZTA has shifted the funding allocation priority to the major urban centres from elsewhere in the country. This shift has removed the 59 percent subsidy Council used to receive for walking and cycling projects in the Tasman District. As a result, Council will not proceed in 2011/2012 with the following projects.
 - Brightwater town centre to State Highway 6 underpass

- Hill Street to Waimea College
- Hunter Avenue to Washbourn Drive
- Abel Tasman Drive - Takaka to Pohara (eight year project).

The Appleby Overbridge to Ranzau Road cycleway project which was initially planned for 2011/2012 was being carried out during the 2010/2011 year as part of the Government subsidised New Zealand Cycleway Tasman Loop project (below).

- Last year the District was successful in receiving a \$2.14 million subsidy from the Government's New Zealand Cycleway project fund administered by the Ministry of Economic Development. In order to receive the subsidy Council had to contribute around \$1 million towards the Cycleway project. Council decided to divert funding it had previously allocated to the NZTA subsidised cycleways and walkways throughout the District (listed above) into the Tasman Loop of the New Zealand Cycleway, for a period of three years, which includes the 2011/2012 financial year.
- Council has proposed some minor changes to the priorities for expenditure in the non-subsidised roading budget including additional funding for streetlighting in Richmond, Wharf Road walkway (Motueka), funding to purchase designated property, new footpaths and rehabilitation of existing footpaths.
- Council is deferring the Gibbs Valley Road seal extension project from the 2011/2012 capital works programme for roading. The project was estimated to cost \$240,000 in the Ten Year Plan, however, once initial design work and costings were completed the estimate has been revised to \$500,000, meaning the project could not be undertaken within the funding available. There are no NZTA subsidies available for this project. However, Council has agreed to consider carrying out some minor safety improvements on the Gibbs Valley Road and has allocated \$50,000 from the minor safety improvements budget towards this work
- Council is adding into the 2011/2012 year the upgrade and safety improvement to Turner's Bluff

on the Riwaka to Kaiteriteri Road. There are concerns about the stability of the road around the Bluff. The estimated cost of the work is \$650,000. The project will be funded from the transfer of the funding from the deferred Gibbs Valley Road seal extension and use of the NZTA subsidised minor safety improvements and preventative maintenance budgets.

- Council had planned to undertake a project to improve the entrance to Richmond and the central business area in the 2011/2012 year. The cost of the project was estimated at around \$412,720, which was to be funded by a loan and Development Contributions. Council is deferring the work until the 2012/2013 year, however, the timing of the project will be reconsidered through the review of the Long Term Plan in early 2012.
- Council is deferring the undergrounding of the powerlines in High Street, Motueka. The capital works budget for the project was \$126,713 in the 2011/2012 year. Network Tasman, which is jointly funding the project, has advised that it is not intending to commence the three-year project until 2012/2013.

Coastal Structures:

Council has agreed to pool the \$340,000 funding, made up of \$100,000 in the 2010/2011 budget and \$240,000 in the 2011/2012 Annual Plan budget, for the Mapua pontoon replacement, re-roofing the Mapua Wharf buildings, and navigational aids projects, to be undertaken during the 2011/2012 year. Staff will report back to Council on the allocation of funding between the projects prior to receiving final sign-off of any project expenditure.

Council has agreed to provide a provisional budget of \$150,000 to fund interim remedial work on erosion at Jackett Island as a result of an Environment Court decision. The funding will come from the proceeds from recent sales of property that was land reclaimed for Motueka harbour works prior to 1917. Funding for the continuation of work will be considered through the Long Term Plan 2012 – 2022, once the permanent remedial works programme has been identified.

Changes from the Ten Year Plan and Major Issues (cont.)

Water Supply and New Services Agreement with Nelson City Council:

There are several changes from Year 3 of the Ten Year Plan proposed for the Water Supply activity over the coming year. In addition there is ongoing uncertainty around the Motueka Water Supply project, which is outlined in the next section of this Plan dealing with uncertainties and other issues.

- Council is deferring the upgrade of the Murchison water treatment plant. The cost of the project was estimated at \$50,000. The project was programmed in the Ten Year Plan in 2011/2012 to bring the plant up to the new Drinking Water Standards. The Government placed a three year moratorium on the introduction of the Standards, accordingly, the timing of the project will be reconsidered through the review of the Long Term Plan in early 2012.
- Council will be undertaking stormwater work in Poole Street, Motueka in 2011/2012. Council will undertake a new project to install a new water main in Poole Street to coordinate timing with the stormwater work. The cost of the water main project is \$300,000.
- Council is reducing the capital works budget of \$1 million for the Richmond water treatment plant to \$600,000 for the 2011/2012 year. Staff still need to resolve land purchase and final site design matters; therefore, the full budget is unlikely to be required in 2011/2012.
- Council is increasing the capital works budget for the Coastal Tasman pipeline investigation work by \$411,300 in 2011/2012. The additional funding is likely to be needed for resource consents, design and property acquisition purposes
- A new services agreement is planned between Nelson City Council and Tasman District Council, for the supply of water to Nelson City ratepayers in the areas of Champion Road, Garin College, and the Wakatu Industrial Estate. Tasman District Council currently supplies water to these users, but under individual supply arrangements. The proposed agreement is for the supply of water to Nelson City Council, rather than to individual residents and

businesses. If the proposed agreement proceeds, Nelson City Council will be responsible for the supply of water directly to its ratepayers who are currently supplied by Tasman District Council. The cost of the water supply from Tasman District Council to Nelson City Council would be the same as to water users with a metered connection in Richmond.

- Council is increasing the urban water supply rates for metered connections from \$1.28 to \$1.50 per cubic metre supplied. The targeted rate for the supply of water calculated as a fixed daily amount per rating unit is increasing from 44.99 to 51.89 cents per day (excl GST). This increase is a result if the dispute with the Industrial Water Users over water charges being unresolved at June 2011.

Wastewater

There are four changes from Year 3 of the Ten Year Plan proposed for the Wastewater activity over the coming year.

- Council is deferring the replacement of wastewater mains from Courtney Street to Hau Road, Motueka. The reason for the deferral is that recent closed circuit TV inspection of the sewer showed its condition is acceptable for the near future. Council is also reassessing the options for upgrading the wastewater main in the future. The estimated cost of the project was \$355,000. The timing of the project will be reconsidered through the review of the Long Term Plan in early 2012.
- Council is deferring the upgrade of wastewater mains in Williams Street, Richmond. The reason for the deferral is that recent closed circuit TV inspection of the sewer showed its condition is acceptable for the near future. The estimated cost of the project was \$148,500. The timing of the project will be reconsidered through the review of the Long Term Plan in early 2012.
- Council had planned to upgrade the Takaka Wastewater Treatment Plant in 2010/2011. This project has been delayed and Council is now proposing to undertake the work in 2012/2013, at an estimated cost of \$4 million. This deferral will enable Council to undertake further public consultation on the project.

- Council has decreased the capital works budget for the Motueka wastewater treatment plant project in 2011/2012 from \$720,000 to \$500,000, as all the funding is unlikely to be needed during the year.
- The Draft Annual Plan contained a budget for Council's contribution to the operational costs of the Nelson Regional Sewerage Business Unit (NRSBU) of \$2.8 million. Council has since been advised by the NRSBU that it requires \$2.48 million, which will lead to a reduction in the pan charge from what was included in the Draft Annual Plan for 2011/2012.

Stormwater

There are five changes from Year 3 of the Ten Year Plan proposed for the Stormwater activity over the coming year.

- Council is deferring the upgrade of the Pohara township stormwater system. The estimated cost of the project was \$245,000. Council has completed the first stage of the project and is reassessing whether the second stage is needed. The timing of any further work will be reconsidered through the review of the Long Term Plan in early 2012.
- Council is deferring the upgrade of the Poutama Drain, Richmond. The estimated cost of the project was \$191,500. The timing of the project will be reconsidered through the review of the Long Term Plan in early 2012. The reason for the deferral is that Council needs to resolve land acquisition issues.
- Council will undertake a new project to upgrade stormwater infrastructure in Swiftsure Street/Gibbs Road, Collingwood. The reason for this project is that Council is concerned that stormwater is causing a nuisance to properties in the area. The project has an estimated cost of \$220,000.
- Council is reducing the budgets for the Patons Rock and Tasman stormwater improvements projects in the 2011/2012 year, as it is unlikely that the full budgets will be needed during the year.

Solid Waste

There are some changes from Year 3 of the Ten Year Plan for the Solid Waste activity over the coming year. The changes

are largely due to Council receiving less income for waste due to a reduction in waste volumes associated with the downturn in the economy. Council has reduced the costs incurred in the waste activity to reduce the need to increase general rates to fill some of the shortfall in funding. To fund the remainder of the shortfall Council is introducing a tiered system for commercially collected waste, and an increase in the refuse/recycling targeted rate (refer to the Schedule of Charges and the Funding Impact Statement for details).

Camping Grounds:

There is one change from the Ten Year Plan for the Camping Grounds activity over the coming year. The Collingwood camping ground will not be put on a long-term commercial lease until after 2011/2012. This delay is to enable land ownership matters to be resolved prior to leasing the camping ground. It may take a couple of years to resolve the matters.

Forestry Dividend:

Council has re-assessed the dividend it is likely to receive from its forestry activity. The dividend for the 2011/2012 year is likely to be \$450,000 which is around \$100,000 below what was anticipated in Year 3 of the Ten Year Plan. This will mean a reduction of that amount of revenue from the activity during the 2011/2012 year. The reasons for the reduced revenue resulted from a review of harvesting predictions and anticipated revenues.

Motueka Aerodrome:

The Ten Year Plan provided for the grass runway at the Motueka Aerodrome to be upgraded at a cost of \$30,000 in 2011/2012. Council has deferred this project for one year while it undertakes a review of aerodrome management and develops emergency management plans for the aerodrome.

Port Tarakohe:

Council will increase the general rate funding towards operations at Port Tarakohe by around \$105,000 from the 2010/2011 Annual Plan budget. The reasons for the increase include:

Changes from the Ten Year Plan and Major Issues (cont.)

- A reduction in the potential income from dolomite going out through the Port.
- Less income than projected from the new marina due to an expected later completion date.
- Funding needed to cover the loan servicing costs for the marina for the first few years of operation.

Civil Defence Emergency Management (CDEM) – Emergency Operations Centre:
Council has increased its funding for CDEM in 2011/2012 by \$19,781 to enable funding for the development of a dedicated Emergency Operations Centre for civil defence operations in the Nelson/Tasman region. This gives CDEM the full operation budget requested of \$269,750.

Community Facilities Rate:
As Council has not yet made a final decision to contribute funding towards a motorsport facility in the District, it is deferring funding proposed in the Ten Year Plan towards such a facility until the 2012/2013 year. This deferral will reduce the Shared Facilities Rate by \$1.20 per property from the increase proposed in Year 3 of the Ten Year Plan. The reason for the deferral is to reduce the overall rates increase for ratepayers in the 2011/2012 year, and because the timing of the project means the funding, if allocated, is more likely to be required in the 2012/2013 year.

District Facilities Rate:
Council is deferring most of the funding it provided in the Ten Year Plan towards a major upgrade or replacement of the Mapua Public Hall until the 2012/2013 year. Council has provided funding in the 2011/2012 budget of up to \$65,000 for the specific purpose of enabling plans to be prepared for going to tender.

Council is also deferring most of its contribution of funding towards a swimming pool facility in Motueka until the 2012/2013 year. Council has retained funding of \$750,000 in the 2011/2012 year towards design costs for the project. The deferral of the remaining \$2.75 million will reduce the proposed increase in the District Facilities Rate in Year 3 of the Ten Year Plan.

Reserve Financial Contributions:
Due to the slow down in subdivision activity across the District, Council has received less money into its Reserve Financial Contributions accounts than anticipated in the Ten Year Plan. As a result, Council, in association with the Golden Bay and Motueka Community Boards, has re-assessed the priorities and the projects planned for the 2011/2012 year.

The projects that are being deleted or deferred are:

- Funding for upgrading the small wharves in Golden Bay (\$54,742).
- New toilets in the Motueka Ward (\$54,854).
- New toilets (\$43,713) and tennis court resurfacing or new courts (\$82,912) in the Waimea/Moutere and Lakes/Murchison wards.
- Rabbit Island development (\$21,942).
- Picnic Area at Aniseed Valley (\$10,928).
- Toilets at Ben Cooper Park/Cemetery (\$142,620).
- Estuary reserve land purchase (\$197,474).

The new projects are:

- Artwork in Motueka (\$20,000).
- Motueka Cemetery (\$10,000).
- Motueka Library extension investigation (\$20,000).
- Cemetery development in the Waimea/Moutere and Lakes/Murchison wards (\$10,000).
- Dominion Road wetland (\$30,000).
- Motueka Museum weatherproofing (\$25,000).
- Golden Bay Tennis shade sails (\$1,500).
- Ligar Bay beach development (\$10,000).
- Murchison Pony Club shed extension (\$8,000).
- Tasman Reserve BMX track (\$8,000).
- Nelson A&P Association historic building upgrade (\$5,000).

Interest Rate Assumption:
In the Ten Year Plan Council used 7.2 percent as its assumption for the interest rate we would need to pay for loan servicing. However, as a result of using interest rate hedges Council's interest rate volatility has been reduced, meaning that the interest rate can be reduced from 7.2 to 6.6 percent, therefore, we have adjusted our loan servicing costs to reflect this reduction.

Nelson Regional Sewerage Business Unit (NRSBU) Surplus:

The NRSBU has indicated that it expects an operating surplus for the 2010/2011 year of approximately \$740,000 to return to each of the Tasman District and Nelson City Councils. Council has decided to use the money, which it expects to receive in August 2011, for repayment of debt in the wastewater account. This has reduced the pan charge by \$4.11 (excl GST). The account currently has a debt of \$27.5 million. Council is conscious of public concerns about levels of debt and considered it was better to use the money this year to pay back debt, rather than spend it on operating costs.

Insurance Costs:

The cost of some Council's insurances has increased for the 2011/2012 year over and above the figures estimated in Year 3 of the Ten Year Plan, particularly the Local Authority Protection Programme (which covers infrastructure assets) and insurance against weather-tight homes claims. The additional costs for the LAPP fund alone are around \$168,000.

Holding Company:

In the Ten Year Plan Council proposed setting up a joint Holding Company to improve governance and management of its trading enterprises owned jointly with Nelson City Council. Implementation of the joint Holding Company proposal has been delayed, while discussions continue with Nelson City Council on the matter. Accordingly, the joint Holding Company may not be established this year. In the event of a joint Holding Company not being established Tasman District Council may consider establishing its own Holding Company.

Discount for Early Payment of Rates:

Last year Council decided to reduce the discount it gives ratepayers who pay their rates early to 2 percent. Council is retaining the discount at 2 percent for the 2011/2012 year.

Warm Homes and Clean Heating:

The Energy Efficiency and Conservation Authority offers home owners a partial subsidy towards home insulation

and upgrading of home heating appliances. The subsidy leaves home owners with a deficit of funding to undertake the work. Last year, in order to assist home owners to fund this deficit, Council provided the opportunity for the remaining costs to be funded through a voluntary targeted rate on the home owner. This cost needs to be repaid over the following nine years. The charge to ratepayers includes the grant, an administration fee, and interest on the outstanding balance. The intention is that the subsidy scheme will be cost neutral to Council and ratepayers who are not part of the scheme. Council is retaining the subsidy scheme in the 2011/2012 year.

Tourism Targeted Rate:

Last year Council changed the criteria for deciding which properties should pay the tourism targeted rate. The new criteria will be retained for the 2011/2012 year. The additional revenue collected was put towards destination marketing to contribute towards Nelson Tasman Tourism receiving a subsidy from central government for destination marketing activities. Council is proposing to reduce the funding for destination marketing, which will reduce the targeted tourism rate from \$125.78 in 2010/2011 to \$100.00 in 2011/2012. The funding generated from the tourism targeted rate is additional to the \$314,253 Council contributes as a "public good" from the general rate for the provision of information centres. Council has requested that Nelson Tasman Tourism engage with members of the tourism sector to hear their views and consult on meeting their requirements.

Motueka Community Board Targeted Rate – Proposal for additional projects for the Ward:

Council has agreed to the request from the Motueka Community Board to increase the Motueka Community Board Rate by \$4.34 excluding GST (\$5 including GST) per rateable property to enable several additional projects to be undertaken in the Motueka Ward. The additional funding generated from the rate increase is around \$25,000. The rate is, therefore, \$12.57 excluding GST per rateable property.

Changes from the Ten Year Plan and Major Issues (cont.)

The Community Board is to undertake further consultation with the Motueka Ward community on what the funding generated from the extra \$4.34 excluding GST is to be spent on. Council staff will work with the Board on the delivery and implementation of the projects.

Fees and Charges:

Apart from inflation adjusting most of the 2010/2011 charges (some with rounding), the main changes reflected in the 2011/2012 Schedule of Charges are:

- Introduction of a tiered charging system for commercially collected waste, and an increase in the recycling/refuse targeted rate to help cover some of the loss of income from the reduction in the volume of waste being disposed of, which is most likely due to the downturn in economic activity.
- Aerodrome landing and parking fees have gone up more than the inflation adjustment.
- Clarification that the listed deposits for processing resource consent applications and for carrying out other resource management functions can be increased when required to recover more income upfront and minimise transaction costs and Council's exposure to delays in recovering costs.
- Introduced a charge for replacement registration tags for dogs to cover associated costs.
- Ring Road Line levies to stay the same rate as 2010/2011 year being \$1.02/m for mussels and 30c/m for spat.
- Allow for reduced charges where people build under a Department of Building and Housing approved "multi-roof" building consent and where food operators operate under a New Zealand Food Safety Authority accredited food control plan.
- Reduced charge for transfer of consents to better reflect processing effort.
- Reduced deposits for designations and heritage orders to reflect changes to the notification requirements under the Resource Management Act and modified some other deposits (e.g. road stopping, Official Information Act certificates).
- Introduced a new (and lesser) fee for kitset type dwellings less than 100m² and included houses

greater than 250m² in the same rate as for the multi storey dwellings to better reflect processing and inspection effort.

- Additional charge for re-inspection of food premises.
- Reduced consent fee for on-site waste water systems only.
- Changes to water charges for properties in Nelson City, excluding the ENZA Food New Zealand Limited site and the Alliance Group Limited site, supplied with water by Tasman District Council.

Uniform Annual General Charge (UAGC):
Council is proposing to increase the UAGC by \$20 to \$251.11 per rateable property (excluding GST).

Wai-iti Dam Rate:

The Wai-iti Dam Rate pays for the costs of the Wai-iti Dam. Since commissioning the dam the costs have exceeded the revenue generated from the rate. Initial estimates for operations and maintenance costs for the dam were established when the dam project commenced. These costs were agreed to be fixed for a three year period on completion of the dam works. However, the initial estimate did not cover all of the monitoring and maintenance work required. Council has increased the rate from \$280.00 in the 2010/2011 year to \$291.70 in the 2011/2012 year to cover the deficit in funding.

Rural Water Schemes Rate Increases:

There are four rural water schemes where Council is increasing the rates charged to users:

1. **Eighty Eight Valley Rural Water Scheme:**
The major reason for the rate increase is the higher costs than expected incurred in obtaining the renewal of the operational resource consent. Initially the resource consent was estimated to cost up to \$5,000, but it ended up costing around \$85,000, due to an appeal to the Environment Court. Council has increased the unit rate from \$48.09 in the 2010/2011 year to \$65.00 in the 2011/2012 year and an increase in the property rate from \$55.48 in 2010/2011 to \$75.00 in 2011/2012, to cover the deficit in funding.

2. Dovedale/Neudorf Rural Water Scheme:

The rate increase is to cover the increase in operating costs for the main replacements and repairs of leaks in the system, drought monitoring, along with the costs of operating the alternative water source. Council has increased the rate from \$519.61 for the first unit supplied and \$363.54 for the second and subsequent units in the 2010/2011 year to \$582.30 and \$407.29 respectively in the 2011/2012 year to cover the deficit in funding.

3. Hamama Rural Water Scheme

The rate increase is to cover capital works improvements undertaken on the Hamama scheme. The 2010/2011 year rate of 0.0264 cents per dollar of land value is increasing to 0.0339 cents.

4. Redwood Valley Rural Water Scheme

The rate increase is to cover capital works improvements undertaken on the Redwoods Valley Scheme. The 2010/2011 rate of \$332.85 per unit supplied will be increasing to \$380.26 in 2011/2012.

Other changes:

Council has made a few other minor changes, including reducing consultants budgets, deferring replacing some staff positions currently vacant, deleting grants for advertising paid to Sport Tasman and CLM (the operators of the ASB Aquatic Centre) and increasing projected revenue.

Issues and Uncertainties

Motueka Water Supply:

In the Ten Year Plan Council planned to provide a reticulated water supply to Motueka township at a cost of around \$19.3 million (including an allowance for inflation). The purposes of the water reticulation scheme are to:

- Reduce the potential public health risk associated with bore water use.
- Significantly improve the fire fighting capacity in the residential and commercial areas of the town.
- Provide high quality water to all users in the township making sure water is available when and where it is needed.

- Ensure there is adequate water available for the long term residential, commercial and industrial needs of the growing Motueka community.

At the time when the Ten Year Plan was produced, we noted the potential to receive a Government subsidy to offset some of the costs of the project on the community. Council decided to proceed with the project only if it received a satisfactory Government subsidy.

In 2009 the Government put a hold on the subsidy scheme and did not accept any further applications. The Government has now reviewed the subsidy scheme, and in late 2010 announced that new applications could be lodged. The Government has amended some application criteria and also how subsidies may be approved and allocated. Council has very recently lodged a new subsidy application with the support of the Motueka Community Board, with an expectation of getting a funding decision from the Government after September 2011. The outcome of this application and the level of Government funding will inform the evaluation of options for the Motueka water supply project. Final consultation with Motueka ratepayers will occur during the development of the 2012 - 2022 Long Term Plan.

Lee Valley Dam:

Council has received a proposal from the Waimea Water Augmentation Committee (WWAC) relating to the governance and ownership structure for the Lee Valley Dam project. Council has commissioned a study to look at the WWAC proposal along with other potential options for governance and ownership. Council is required under the Local Government Act to consider options and to consult widely with the community on significant matters, like the proposal to build the Lee Valley Dam. This information will contribute to finalisation of the WWAC feasibility study and will provide information to feed into Council's decision making processes.

Implications of the Canterbury Earthquakes:

The implications of the catastrophic Canterbury earthquakes in September 2010, February and June 2011 are being felt

Changes from the Ten Year Plan and Major Issues (cont.)

nationwide and few, if any, councils across New Zealand will not be affected in some manner. For example:

- Council officers have been helping to staff the Emergency Operations Centres in Christchurch, the national centre in Wellington and locally established centres to help with people that have temporarily or permanently relocated from the Canterbury area, particularly from Christchurch.
- Some councils are likely to have their work programmes effected by consultants and contractors moving staff and resources from other regions to Christchurch to help with the recovery and re-building work
- Local authority staff could also be recruited by Canterbury councils, consultants and contractors to help with recovery and re-building work, and recruiting replacement staff may be difficult.

All of these things could impact on councils like Tasman District Council and our ability to deliver our work programmes and meet our statutory timeframes for work. For example, work like annual and long term planning, processing building and resource consents, delivering roading maintenance and renewals, delivery of capital works programmes, etc. The costs of doing work may also increase due to shortages of contractors and consultants.

Fuel and Oil prices:

There are ongoing uncertainties about the cost of fuel and oil based products (e.g. bitumen), which can affect the cost of work Council undertakes.

Amendment to Ten Year Plan 2009–2019 Treasury Management Policy

In February 2011 Council, subject to consultation with the community, agreed to participate as a “Principal Shareholding Local Authority” in the New Zealand Local Government Funding Agency Limited (LGFA). This participation requires some minor changes to the Liability Management Policy and the Investment Policy within

Council’s Treasury Management Policy. These changes necessitated Council preparing a separate statement of proposal for an amendment to its Ten Year Plan 2009 – 2019, as the Treasury Management Policy is contained in Volume 2 of that Plan. The LGFA is being established in association with central government and a number of other councils. Being party to this new agency should help reduce Council’s cost of borrowing on loans. Council was also required to go through a special audit process, the outcome of which was reported in the Draft Annual Plan.

It is important to note that many of the finer points of how the LGFA will operate have yet to be completed including the wording of the guarantees. Council will not enter into any final arrangement with the proposed LGFA until it is satisfied that the interests of Council are sufficiently protected.

Following consideration of the submissions on the proposal, Council has approved in principle, subject to agreeing to the final details of the funding scheme, to the proposal to join the LGFA scheme as a Principal Shareholding Local Authority. This decision means that Council has amended its Liability Management Policy and Investment Policy contained within the Treasury Management Policy in Volume 2 of its Ten Year Plan 2009 – 2019, to enable it to become involved in the LGFA scheme.

Tasman District Council's Vision, Mission and Community Outcomes

Tasman District Council's Vision Statement

An interactive community living safely in the garden that is Tasman District.

*He rohi Whakaarotahie
Noho ora ana I runga I te
Whenua ataahua
Ko te rohe o Tahimana*

Tasman District Council's Mission Statement

To enhance community well-being and quality of life.

Objective 1

To implement policies and financial management strategies that advance the Tasman District.

Objective 2

To ensure sustainable management of natural and physical resources, and security of environmental standards.

Objective 3

To sustainably manage infrastructure assets relating to Tasman District.

Objective 4

To enhance community development and the social, natural, cultural and recreational assets relating to Tasman District.

Objective 5

To promote sustainable economic development in the Tasman District.

Community Outcomes

Outcome 1

Our unique and special natural environment is bountiful, healthy, clean and protected.

Outcome 2

Our built urban and rural environments are functional, pleasant, safe and sustainably managed.

Outcome 3

Our transport and essential services are sufficient, efficient and sustainably managed.

Outcome 4

Our vibrant community is safe, well, enjoys an excellent quality of life and supports those with special needs.

Outcome 5

Our community understands regional history, heritage and culture.

Outcome 6

Our diverse community enjoys access to a range of spiritual, cultural, social, educational and recreational services.

Outcome 7

Our participatory community contributes to district decision-making and development.

Outcome 8

Our growing and sustainable economy provides opportunities for us all.



Part 2 – Council Activities

Council Activities

The following pages outline the core activities that the Council undertakes. There are five sections:

- Environment and Planning
- Engineering
- Community Services
- Governance
- Council Enterprises

Each of these sections is broken down into groups of related activities.

We have provided the overall budget for each section and for each group of activities we have identified:

- What we do.
- Why we do it.
- How the group of activities contributes to the community outcomes.
- The goal and any changes from the Ten Year Plan 2009-2019.
- The service levels (what we are proposing to provide), how we are going to measure whether we are achieving the service levels and the targets we are planning to achieve in years 1–3 and the target to be reached by year 10. Please note that the targets in the column headed up years 1–3 are for each of the years, unless there is a particular date specified.
- The major activities undertaken and any major capital works projects.
- The cost of providing the service.

The targets we are planning to achieve in years 1–3 and the target to be reached by year 10...

Environment and Planning

The Environment and Planning section is broken down into five groups of related activities:

- Resource Policy
- Environmental Information
- Resource Consents and Compliance
- Environmental Education, Advocacy and Operations
- Regulatory Services

The 2011/2012 year budgets for the Environment and Planning activities are outlined in the following table along with the 2010/2011 budgets for comparison.

Environment and Planning	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
Resource Policy	1,309,095	1,352,593	1,375,654
Environmental Information	2,554,791	2,565,348	2,370,064
Resource Consents and Compliance	3,303,023	3,594,779	3,474,881
Environmental Education, Advocacy and Operations	2,039,643	2,000,292	2,225,909
Regulatory Services	3,740,211	3,897,002	4,023,181
TOTAL COSTS	12,946,763	13,410,014	13,469,689



Environment and Planning (cont.)

Details of each of these groups of activities are outlined in the following pages. These pages cover what the Council does in relation to each activity group, why we do it, the contribution of the activities to the Community Outcomes, the activity goal, any changes from the Ten Year Plan relating to the activity, how we will measure our performance, the key things we will be doing in relation to the activity and funding of the activity.

i. Resource Policy

What we do

This activity involves the analysis and development of policy and plans required under the Resource Management Act and the Biosecurity Act and the provision of policy advice on matters of national importance affecting Tasman District. It involves responding to new environmental issues that emerge from time to time and where Council considers a policy response is warranted, including where a response is needed to information received through monitoring undertaken in the Environmental Information Activity.

Why we do it

Council is required by law and community expectations to manage the environment of Tasman District and the consequences of human activity. The Tasman community has told us that planning for the future is important. This is so we can meet the needs of communities and manage those activities which might otherwise undermine the character and resource values which are special to Tasman.

Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique and special natural environment is bountiful, healthy, clean and protected.	Having in place policies and plans that promote sustainable management of natural and physical resources and, where necessary, regulating activities which would over time degrade the environment or place resources under pressure, keeps Tasman District special.
Our built urban and rural environments are functional, pleasant, safe and sustainably managed.	The activity ensures that living environments are pleasant, safe, and that the activities of others do not adversely impact on citizens' lives. By ensuring resources are well managed, the activity contributes to the development of the district in appropriate locations and scale.
Our transport and essential services are sufficient, efficient and sustainably managed.	Effective resource policy planning ensures infrastructure needs are appropriate, efficient, and available to meet the demands of the community.
Our vibrant community is safe, well, enjoys an excellent quality of life and supports those with special needs.	This activity safeguards the community's health and well-being by ensuring resource use and human activities affecting resources do not adversely affect quality of life or community well-being.
Our community understands regional history, heritage and culture.	This activity identifies heritage values of significance to the district and has in place a framework for protecting and enhancing these values, including sites which are important to iwi.
Our participatory community contributes to district-decision-making and development.	Public participation is provided for in the processes of development of policies and plans under the Resource Management and Biosecurity Acts.
Our growing and sustainable economy provides opportunities for us all.	Policies and plans identify opportunities for economic development and potential hazards and constraints affecting such opportunities.

Our goal

We aim to provide an appropriate policy framework for identifying and responding to resource management policy issues which lead to sustainably managing the District's natural and physical resources including biosecurity risks.

Changes from the Ten Year Plan

There are no changes from the Ten Year Plan for the resource policy activity over the coming year, other than some minor changes to the timelines of projects.

Environment and Planning (cont.)

Our level of service – What the Council will do and how we will measure performance over the 10 years from 2009-2019

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
<p>We will develop and maintain an appropriate policy framework which effectively promotes the sustainable management of the District's natural and physical resources by:</p> <ul style="list-style-type: none"> - identifying and responding to resource management policy issues and biosecurity risks; and - providing a sound and appropriate policy planning framework that will protect and enhance our unique environment and promote healthy and safe communities; and - ensuring that plan development systems are administered in a way which meets the expected environmental outcomes identified in policy statements and plans. 	<p>The level of community support for Council's resource management policy and planning work is rated as fairly satisfied or better through community surveys.</p>	<p>71% of residents surveyed fairly satisfied or better with 15% of respondents unable to comment, which means 83% of those with knowledge were happy with Council actions. (Corresponding figures for 2008/2009 were 69%, 11%, and 77%).</p>	75%	75%
	<p>Having in place an operative Regional Pest Management Strategy, which is kept up to date and relevant.</p>	<p>Have maintained an operative Regional Pest Management Strategy. An Operational Plan is produced annually and is reviewed annually. The Strategy is set down for review in 2012.</p>	Strategy to be reviewed in 2012.	Operative Regional Pest Management Strategy.
	<p>Having in place an operative Tasman Resource Management Plan, which is kept up to date and relevant.</p>	<p>Part IV notified February 2010. Parts V and VI on track to be made operative February 2011.</p>	Parts V and VI are expected to be made operative in 2009/10 and Part IV will be notified in 2009.	Operative Tasman Resource Management Plan.

Major activities

- Undertake strategic development planning for urban and rural areas in the District and process associated plan changes and resolve any appeals, including current work on Richmond West, Richmond East, and work on Richmond CBD (2010 to 2012), Motueka West (current to 2012), Mapua (current to 2012), Eastern Golden Bay (current to 2012), Wakefield/Brightwater (2012).
- In response to settling appeals on landscape matters, undertake Western Golden Bay Strategic Development Study (current - 2011) and Kina to Marahau (2011/2012).
- Complete Part IV of the Tasman Resource Management Plan - Rivers and Lakes.
- Review water management provisions, process associated plan changes, and resolve any appeals, Motueka Water Management Zone (current), Takaka Water Management Zone (2011 to 2012), Waimea Water Management Zone (2012 to 2013).
- Respond to any plan change requests and to administer other parts of the Tasman Resource Management Plan as required.
- Review issues and options for managing activities and impacts on the Waimea Estuary in conjunction with Nelson City Council, Department of Conservation, iwi and stakeholders.
- Investigate the merger of the Tasman Regional Policy Statement with the Tasman Resource Management Plan.
- Provide policy advice to Council on legislative and other significant resource management initiatives requiring Council response.
- Review and administer the Regional Pest Management Strategy in conjunction with Nelson City Council.

Cost of Service Statement (including an allowance for inflation)

Resource Policy	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
General Rates	1,176,116	1,190,242	1,233,767
Fees & Recoveries	18,126	18,623	18,623
Sundry Income	111,803	140,851	119,350
TOTAL INCOME	1,306,045	1,349,716	1,371,740
OPERATING COSTS			
Regional Policy Statement	17,909	18,224	17,996
TRMP-Land	818,447	847,085	978,458
TRMP-Coastal	138,471	141,574	77,507
TRMP-Rivers & Lakes	62,449	64,363	55,190
TRMP-Water	96,756	99,115	82,518
TRMP-Discharges	51,821	52,896	42,955
Policy Advice	63,060	64,518	53,795
Pest Management Strategy	57,132	61,941	63,321
Depreciation	3,050	2,877	3,914
TOTAL OPERATING COST	1,309,095	1,352,593	1,375,654
NET COST OF SERVICE (SURPLUS)	3,050	2,877	3,914
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	3,050	2,877	3,914
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	3,050	2,877	3,914
	3,050	2,877	3,914



Source of the Riwaka

Environment and Planning (cont.)

ii. Environmental Information

What we do

This activity involves establishing and maintaining an efficient resource information base to allow Council to properly discharge its resource management functions and to provide advice to the public on environmental conditions and issues affecting the District. It also involves investigation, monitoring and analysis of significant environmental issues affecting or likely to affect the District.

Why we do it

Council is required by law and community expectation to monitor the state of the environment of Tasman District Council and to undertake resource investigations that allow us to better understand and manage the effects of resource use and changes in the quality and quantity of our land, water, air, and coastal resources.

Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique and special natural environment is bountiful, healthy, clean and protected.	By monitoring and investigating the state of the environment and the trends, risks, and pressures it faces, we can make better decisions and have in place policies and plans that promote sustainable management of natural and physical resources, and where necessary, that regulate activities which over time would degrade the environment or place resources under pressure.
Our built urban and rural environments are functional, pleasant, safe and sustainably managed.	By monitoring and investigating the state of the environment and the trends, risks, and pressures it faces, we can make better decisions and have in place policies and plans that contribute to this outcome.
Our vibrant community is safe, well, enjoys an excellent quality of life and supports those with special needs.	Our flood warning system and work to identify contamination risks are designed to promote safety of people and community well-being.
Our participatory community contributes to district-decision-making and development	We make environmental information available and work with groups in the community to help them make environmentally sound decisions.
Our growing and sustainable economy provides opportunities for us all.	Resource information identifies opportunities for economic development in the use and development of resources of benefit to current and future generations, and potential hazards and constraints affecting such opportunities.

Our goal

We aim to achieve a robust and cost effective approach to environmental monitoring and resource investigations which will provide a good understanding of the District's resources, an ability to assess environmental trends and manage risks to the environment.

Environment and Planning (cont.)

Changes from the Ten Year Plan

There are no changes from the Ten Year Plan for the environmental information activity over the coming year.

Our level of service – What the Council will do and how we will measure performance over the 10 years from 2009-2019

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
We will provide environmental monitoring and resource investigations services in a professional and scientifically valid manner to ensure our natural and physical resources are sustainably managed.	The level of community support for Council's environmental information and monitoring work is rated as fairly satisfied or better through community surveys.	72% fairly satisfied or better, with 20% unable to comment. [2009: 75% fairly satisfied or better, with 16% unable to comment].	75%	75%
	We report air quality data through our website and provide an annual report with the aim of having no more than one PM10 exceedence of the National Environmental Standard by 2013.	21 exceedences were measured in the Richmond airshed, the same number as the previous winter.	Issue Annual Report to 30 June	Issue Annual Report to 30 June
	We release at least one issue based State of the Environment (SOE) report annually.	Failed to release groundwater quality report due to staff workload in other areas. However the draft was completed on time and was released in October 2010. The report assesses a wide range of attributes. Where elevated levels exist, they are accompanied by a downward trend. While there are some issues overall the condition of the groundwater resource is good to very good.	Issue based SOE report released	Issue based SOE report released

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
We will provide environmental monitoring and resource investigations services in a professional and scientifically valid manner to ensure our natural and physical resources are sustainably managed. (cont.)	Undertake targeted investigations of resource issues with the findings released via the Environment and Planning Committee (EPC) and via the Council's website.	Investigation into storm-water quality and sediment quality in streams near Richmond was presented to Council's Environment and Planning Committee on 1 July 2010. Have set up work programmes to monitor river and stream health, checking for faecal contamination and monitoring water temperature. Unable to complete investigations into fine sediment loadings due to weather. Reprogrammed for 2011.	At least one report to EPC and website	At least one report to EPC and website
	We ensure our hydrometric network is available for regional hazard management.	Council met this target. The network functioned well throughout the year with the system operating continuously with only one individual site interruption on one occasion due to telemetry issues. Telemetry sites are currently being upgraded to modern loggers and communication equipment, and this task is 95% completed	99%	99%

Major activities

- Revise and continue implementing the State of the Environment Monitoring and Reporting Strategy.
- Prepare and distribute annually issue based reports (Surface Water, Air, Groundwater, Coastal, Land) on the State of the Environment.
- Monitor, collect and maintain resource data/records and report on environmental resources condition and trends as provided for in Council's State of the Environment Monitoring Strategy.
- Initiate and respond to flood warnings and continue water resource investigations in the Waimea, Buller, Golden Bay, Moutere and Motueka catchments.
- Conduct investigations into pollution and contamination related issues.

Environment and Planning (cont.)

Cost of Service Statement (including an allowance for inflation)

Environmental Information	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
General Rates	2,096,628	2,087,253	1,914,580
Fees & Recoveries	462,788	452,435	452,545
Sundry Income	85,856	108,166	91,654
TOTAL INCOME	2,645,272	2,647,854	2,458,779
OPERATING COSTS			
Water Resource Investigations	740,554	663,815	645,633
Environmental Monitoring	1,527,536	1,595,278	1,469,914
Flood Management	117,743	111,703	91,878
Pollution Investigations	126,371	131,294	106,814
Loan Interest	13,360	12,461	10,926
Depreciation	29,227	50,797	44,899
TOTAL OPERATING COST	2,554,791	2,565,348	2,370,064
NET COST OF SERVICE (SURPLUS)	(90,481)	(82,506)	(88,715)
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	(90,481)	(82,506)	(88,715)
Capital	99,590	121,776	121,776
Loan Principal	20,118	11,527	11,838
	29,227	50,797	44,899
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	29,227	50,797	44,899
	29,227	50,797	44,899

iii. Resource Consents and Compliance

What we do

This activity involves the assessment and processing of resource consent applications for the development and use of land, air, water or coastal resources, and related compliance monitoring and enforcement.

Why we do it

Council is required by law to receive and process resource consent applications and to monitor and enforce compliance with plan rules and conditions of consent in order to achieve sustainable management of natural and physical resources. There is also an expectation from the community that we will respond to, and resolve, environmental and nuisance complaints.

Environment and Planning (cont.)

Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique and special natural environment is bountiful, healthy, clean and protected.	The consent process seeks to ensure that the development and use of the environment promotes sustainable management of natural and physical resources. Where necessary, conditions can be imposed (and monitored) that regulate activities which over time would degrade the environment or place resources under pressure.
Our built urban and rural environments are functional, pleasant, safe and sustainably managed.	The activity ensures that living environments are pleasant, safe, and that the activities of others do not negatively impact on citizens' lives. By ensuring resources are well managed and adverse effects of resource use properly considered, the activity contributes to the development of the District in appropriate locations and scale.
Our transport and essential services are sufficient, efficient and sustainably managed.	Effective planning ensures infrastructure needs are appropriate, efficient, and available to meet the demands of the community.
Our vibrant community is safe, well, enjoys an excellent quality of life and supports those with special needs.	This activity safeguards the community's health and well-being by ensuring resource use and human activities affecting resources do not adversely affect quality of life or community well-being.
Our community understands regional history, heritage and culture.	This activity can identify and protect heritage values of significance to the district, including sites which are important to iwi.
Our participatory community contributes to district-decision-making and development	Public participation is provided for in the consent process under the Resource Management Act. This can be either by way of consultation by resource consent applicants or full public notification of applications whereby the public have the opportunity to lodge submissions and appear in front of hearings committees.
Our growing and sustainable economy provides opportunities for us all.	Resource consents can facilitate economic development opportunities and compliance monitoring can ensure fair and equal opportunities for all.

Our goal

We aim to see development of the District's resources that achieves high standards within sustainable limits set by Council's plans and with minimum environmental impact and to provide excellent customer service in processing consents.

Changes from the Ten Year Plan

There are no changes from the Ten Year Plan for the resource consents and compliance activity over the coming year.

Our level of service – What the Council will do and how we will measure performance over the 10 years from 2009-2019

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
We will process resource consent applications in a professional and timely manner to ensure our natural and physical resources are sustainably managed.	The level of support for Council's resource consent management from applicants and compliance work is rated as fairly satisfied or better through community surveys.	Reported satisfaction level of 88.7% with 0% unable to answer (66% and 4% respectively in 2008/2009). 11.3% not very satisfied for reasons which include time delays and inflexible rules and regulations (cf 30% in 2008/2009).	75%	75%
	Consent applications are processed within statutory timeframes (where they exist).	96.5% of non-notified applications processed within timeframe and 87% for notified, and 73% for limited notified applications (cf 90% for notified, and 16% for notified and limited notified combined in 2008/2009)	100%	100%
			100%	100%
We will monitor and enforce compliance with consent conditions in a firm and fair manner and respond to complaints about activities adversely affecting people or the environment.	We monitor compliance with resource consent conditions and plan rules, and report at least annually on one compliance investigation.	The annual Dairy Effluent Discharge Report was submitted in July 2009 and the Water Metering Report in August 2009. The annual Compliance and Enforcement Summary report was presented in October 2009. All these reports are viewable on Council website or available from Council.	Annual Report submitted	Annual Report submitted
	We respond to all complaints, depending on urgency and effect, within 15 working days.	74% of complaints were resolved within the 15 working days timeframe. The system does not currently record initial response time. The system records when the file has been closed and Council believes that the completion time is more appropriate in measuring Council's level of service .	100%	100%

Major activities

- Respond to enquiries and undertake the necessary consultation, analysis and processing of resource consent applications related to Council's resource management functions.
- Implement monitoring programmes on resource consents that have potentially significant resource and environmental impacts, and to undertake

post-consent and rule compliance monitoring and necessary enforcement including responding to environmental nuisance complaints. To ensure that this monitoring is fed back into the policy development process.

Environment and Planning (cont.)

Cost of Service Statement (including an allowance for inflation)

Resource Consents and Compliance	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
General Rates	1,506,095	1,718,167	1,611,739
Fees & Recoveries	1,705,857	1,764,057	1,764,440
Sundry Income	84,196	106,070	89,881
TOTAL INCOME	3,296,148	3,588,294	3,466,060
OPERATING COSTS			
Resource Consent Processing	2,296,680	2,335,395	2,429,943
Compliance Monitoring	999,468	1,252,899	1,036,117
Depreciation	6,875	6,485	8,821
TOTAL OPERATING COST	3,303,023	3,594,779	3,474,881
NET COST OF SERVICE (SURPLUS)	6,875	6,485	8,821
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	6,875	6,485	8,821
	6,875	6,485	8,821
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	6,875	6,485	8,821
	6,875	6,485	8,821

iv. Environmental Education, Advocacy and Operations

What we do

This activity involves those Council activities that seek to encourage good environmental outcomes through education and advocacy and other non-regulatory methods and also the undertaking of works and services in conjunction with land owners. In particular undertake catchment stabilisation, riparian protection, and habitat enhancement work and pest management operations. This activity also involves follow-up monitoring at the former Fruitgrowers Chemical Company site at Mapua and civil defence and emergency management functions. It also includes Council's environment education function and associated events like, Ecofest, EnviroSchools and Environment Awards.

Why we do it

Council is keen to promote good environmental outcomes by non-regulatory means where this is cost effective and in those situations where active involvement in work programmes yields community support and involvement. Council undertakes civil defence responsibilities as required by the Civil Defence Emergency Management Act 2002 in conjunction with Nelson City Council to ensure community awareness of, and preparedness to respond to, emergency events.

Environment and Planning (cont.)

Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique and special natural environment is bountiful, healthy, clean and protected.	By managing animal and plant pests, working with landowners and others to protect biodiversity, soil and water sustainability, and encouraging responsible environmental behaviours, we seek to ensure Tasman remains special.
Our built urban and rural environments are functional, pleasant, safe and sustainably managed.	By encouraging and working with industries, community groups, and the public we seek to manage risks to, and effects on, Tasman's urban and rural environments.
Our transport and essential services are sufficient, efficient and sustainably managed.	By promoting best practice and efficiency measures in the design and use of important utility services.
Our vibrant community is safe, well, enjoys an excellent quality of life and supports those with special needs.	Our civil defence and emergency management system is designed to promote safety of people and a resilient community.
Our community understands regional history, heritage and culture.	By promoting an appreciation of culture and heritage through the annual Environment Awards and targeted funding to heritage and waimaori projects.
Our diverse community enjoys access to a range of spiritual, cultural, social, educational and recreational services.	Participation in headline activities like Sea Week, EnviroSchools, and EcoFest allows different sections of the community to participate learn and teach each other about matters relating to community well-being.
Our participatory community contributes to district-decision-making and development.	We encourage people to be involved in making preparations in the event of a civil emergency and work with landowners to take responsibility for their actions that might have negative environmental consequences.
Our growing and sustainable economy provides opportunities for us all.	We encourage people to adopt best practice in relation to their use of resources such as land, water, air, and the coast.

Our goal

The Environmental Education, Advocacy, and Operations activity goals are to:

- See improved practices in the use, development, and protection of the District's resources and to minimise damage to the environment through inappropriate practices or the incidence of pests and other threats to the quality of the environment we enjoy.
- Build a resilient community where the potential effects of "all hazards" have been minimised and the community is ready to respond in the face of natural hazard events and emergencies.

Changes from the Ten Year Plan

There is one change from the Ten Year Plan for the environmental education, advocacy and operations activity during 2011/2012. The Energy Efficiency and Conservation Authority offers home owners a partial subsidy towards home insulation and upgrading of home heating appliances. The subsidy leaves home owners with a deficit of funding to undertake the work. In order to assist home owners fund this deficit, last year Council decided to provide the remaining costs through a voluntary targeted rate on the home owner. This cost would need to be repaid over 9 years. The charge to ratepayers agreeing to pay the targeted rate will include the grant, an administration fee, and interest on the outstanding balance. The intention is that the subsidy scheme will be cost neutral to Council and other ratepayers. Council will continue this scheme in the 2011/2012 year.

Our level of service – What the Council will do and how we will measure performance over the 10 years from 2009-2019

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
We will work with resource users, stakeholder groups and the public to promote environmentally responsible behaviour, to encourage soil conservation and riparian planting, to maintain and enhance biodiversity.	The level of community support for Council's environmental education projects and events is rated as fairly satisfied or better through community surveys.	74% fairly satisfied or better with 22% unable to comment. [2009: 75% fairly satisfied or better with 21% unable to comment].	75%	80%
We will contribute the regional share of funding to support the efforts of the Animal Health Board in managing the spread of Bovine Tb in the District.	That the number of cattle and deer herds infected with bovine Tb or on movement control reduces each successive year.	Two herds under movement control as at 30 June 2010 (compared to three as at 30 June 2009).	Annual reduction from previous year	Annual reduction from previous year
We will provide pest management services in Tasman, and under contract to Nelson City, to ensure the incidence of pests does not threaten the economic performance of our productive sector or place at risk the quality of the environment we enjoy.	Timely reporting of pest management operations in accordance with requirements of the Biosecurity Act.	Annual report on Pest Management Operations reported to Council 19 November 2009.	Annual report by November each year	Annual report by November each year
We will have in place a civil defence and emergency management system that is designed to promote safety of people and a resilient community in the event that emergencies may occur.	The level of community support for Council's civil defence emergency management system is rated as fairly satisfied or better through community survey.	56% of residents fairly satisfied or better with 37% unable to comment (56 % and 32% being the equivalent 2008/2009 figures). Council will endeavour to reduce the number of people unable to comment on its emergency management function during the 2010/2011 year by raising awareness of the function. However, the Council's figures are consistent with the national average of 57% of residents fairly or very satisfied and 37% unable to comment.	75%	75%

Major activities

- Identify and promote opportunities for achieving sustainable management of natural and physical resources through implementing Council's Environmental Education Strategy and education and advocacy for sustainable environmental management practices, including working with EnviroSchools and other community groups.
- Undertake soil conservation, land management, biodiversity and stream protection works in conjunction with affected landowners.
- Undertake pest management operations including control of designated plants in sites of high public value in accordance with criteria in the Regional Pest Management Strategy and to contribute towards the Animal Health Board bovine Tb vector control programme.
- Monitor the environment around the former Fruitgrowers Chemical Company site at Mapua.
- Review and implement the Nelson Tasman Civil Defence Emergency Management Group Plan.

Environment and Planning (cont.)

Cost of Service Statement and Funding Sources for the Activity

Environmental Education, Advocacy and Operations	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
General Rates	1,284,767	1,401,558	1,370,728
Targeted Rate	319,076	306,485	306,485
Fees & Recoveries	390,008	180,207	487,540
Sundry Income	172,532	217,358	184,178
TOTAL INCOME	2,166,383	2,105,608	2,348,931
OPERATING COSTS			
Land Management	238,702	246,656	248,210
Promotion of Good Practice	488,122	505,195	539,337
Emergency Management	311,346	315,354	364,207
Plant Pest Management	461,825	481,084	533,565
Animal Pest Management	251,122	252,367	257,760
Mapua Rehabilitation	174,220	76,497	179,397
Loan Interest	110,679	119,718	98,779
Depreciation	3,627	3,421	4,654
TOTAL OPERATING COST	2,039,643	2,000,292	2,225,909
NET COST OF SERVICE (SURPLUS)	(126,740)	(105,316)	(123,022)
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	(126,740)	(105,316)	(123,022)
Transfer to Reserves	22,984	11,639	22,293
Loan Principal	107,383	116,111	107,383
	3,627	22,434	6,654
SOURCE OF FUNDS			
Restricted Reserves Applied	-	19,013	2,000
	-	19,013	2,000
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	3,627	3,421	4,654
	3,627	3,421	4,654
	3,627	22,434	6,654

v. Regulatory Services

What we do

This activity involves the provision of advice and discharging statutory functions in the areas of public health, building, sale of liquor, hazardous substances, animal control, rural fire, parking and maritime administration. It involves assessing and processing permit and registration applications, the administration of bylaws, and associated monitoring and enforcement action.

Why we do it

Council is required by law to receive and process licence applications and statutory registration systems, to inspect, monitor and enforce compliance with these statutory requirements. There is also an expectation from the community that we will uphold and administer these requirements in the interests of health and safety.

Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique and special natural environment is bountiful, healthy, clean and protected.	Managing risk from use of hazardous substances in public areas, rural fire, and ensuring recreational boating is safe keeps Tasman special.
Our built urban and rural environments are functional, pleasant, safe and sustainably managed.	The activity ensures that living environments are safe, and that the activities of others do not negatively impact on citizen's lives. Through ensuring buildings are well constructed, safe and weather tight, the activity contributes to the development of the District, and also ensures that the resale value of the community's assets are protected.
Our transport and essential services are sufficient, efficient and sustainably managed.	Parking control ensures parking facilities are available to ensure public access to urban retailers and services.
Our vibrant community is safe, well, enjoys an excellent quality of life and supports those with special needs.	This activity safeguards the community's health and well-being by ensuring standards of construction, food safety, and registered premises operation are met and that liquor consumption and nuisances from dogs and stock, and risk from fire do not adversely affect quality of life.
Our diverse community enjoys access to a range of spiritual, cultural, social, educational and recreational services.	Safe boating and providing such things as ski lanes ensures community access to the coastal waters of Tasman.

Environment and Planning (cont.)

Our goal

We aim to see development of the District that achieves high standards of safety, design and operation with minimum impact and public nuisance and to provide excellent customer service in providing information on development opportunities and in processing permits and licences.

Changes from the Ten Year Plan

There are no changes from the Ten Year Plan for the regulatory services activity over the coming year.

Our level of service – What the Council will do and how we will measure performance over the 10 years from 2009-2019

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
We will manage the storage and use of Hazardous Substances to ensure, to the extent possible, that risks from hazardous substances are properly minimised and managed.	We respond to any reported incidents within 2 hours.	No incidents reported	100%	100%
We will provide building control services in a professional and timely manner to ensure building work is safe and in accordance with the NZ Building Code.	Applications for building consent and code compliance certificates (CCC) are processed within statutory timeframes.	92.5% of building consent applications were processed within statutory time frames (cf 88% in 2008/2009).	100%	100%
	We maintain Building Consent Authority Accreditation.	Reaccreditation as a Building Consent Authority was achieved March 2010.	Accreditation maintained	Accreditation maintained
We will provide parking control services to facilitate the public's access to urban retailers and services, respond to any misuse of disabled parking, and remove reported abandoned vehicles.	Compliance by not less than 80 out of every 100 vehicles parking in time controlled areas within the Traffic Bylaw, based on an annual snap survey.	Survey undertaken in January 2010 with 85% compliance – target achieved	80%	80%
We will provide Maritime administration services to ensure Tasman's harbour waters are safe and accessible and that all known commercial operators are registered.	All known commercial operators are appropriately registered.	All 30 known commercial operators appropriately registered	100%	100%
	Residents rate their satisfaction with this activity as "fairly satisfied" or better in annual surveys.	50% of respondents were fairly satisfied or better, although 49% stated they did not know enough to comment which might not be unexpected given not everyone has a boat.	80%	80%

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
We will provide a sale of liquor regulatory service in association with other agencies to foster the responsible sale and consumption of liquor.	All applications are processed in accordance with the Sale of Liquor Act.	All 543 applications were processed in accordance with the Sale of Liquor Act. Two were referred to the Liquor Licensing Authority for determination.	100%	100%
	In conjunction with NZ Police, we detect no sale of liquor to minors through random controlled purchase operations run annually.	Conducted controlled purchase operations in October and December 2009, and March and June 2010. Offences detected in October, March, and June and managers and license holders dealt with in conjunction with NZ Police.	At least two annual operations with no offences detected.	At least two annual operations with no offences detected.
We will provide public health services to ensure that food provided for sale is safe, free from contamination and prepared in suitable premises; that other public health risks are managed through the appropriate licensing of premises and operations; and to reduce where possible the occurrence and spread of communicable diseases.	All registered food premises are inspected at least once annually for compliance and appropriately licensed.	47% of premises have been inspected. The reason for the low inspection rate was due to Council not having enough staff to undertake the inspections. An additional staff member commenced in June 2010 to help clear the build up of compliance issues to deal with.	100%	100%
	All registered food premises deemed to be substandard are re-inspected within a two month period.	Of the premises identified with significant non-compliance, 100% have been reinspected within the two month timeframe.	100%	100%
	All other registered premises are inspected at least once annually for compliance and appropriately licensed.	36% of other registered premises have been inspected as at 30 June 2010. The additional staff member mentioned above will help clear this backlog in the next financial year.	100%	100%
We will develop and administer appropriate bylaws designed to ensure that certain activities are administered in a timely and proficient manner with the aim of safeguarding health and safety.	All known operators are appropriately licensed.	100% – All known Operators are appropriately licenced.	100%	100%

Environment and Planning (cont.)

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
We will provide Animal Control services to minimise the danger, distress, and nuisance caused by dogs and wandering stock and ensure all known dogs are recorded and registered.	All known dogs are registered annually by 30 September.	96.7% of the 10,109 known dogs were registered as at 30 September 2009.	97%	97%
	We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week.	Response times were achieved although in some cases this was via a telephone call rather than on-site presence.	100%	100%
For Rural Fire, to safeguard life and property by the prevention, detection, restriction and control of fire in forest and rural areas.	The area of forest lost through fire annually does not exceed 20 hectares.	Three fires this year resulted in approximately 551 hectares of damage to production forest, 541 hectares from one fire in Glenhope on 26 November 2009.	No more than 20 hectares lost through fire annually.	No more than 20 hectares lost through fire annually.

Major activities

- Respond to enquiries and undertake inspectorial responsibilities under the Health Act, Building Act, Sale of Liquor Act, and the Hazardous Substances and New Organisms Act, and associated Council bylaws.
- Carry out Harbour Board functions including implementation of the Joint Oil Spill Contingency Plan (with Nelson City Council).
- Carry out animal control responsibilities.
- Carry out parking control responsibilities under Council's Parking Bylaw.
- Ensure fire risk in the District is effectively managed through supporting rural fire parties and the Waimea Rural Fire Committee.
- New capital expenditure on replacement fire appliances to the approximate value of \$34,000. Council will be seeking subsidies from the National Rural Fire Authority towards the purchase of fire equipment and appliances.

Cost of Service Statement (including an allowance for inflation)

Regulatory Services	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
General Rates	915,496	998,255	1,061,042
Fees & Recoveries	2,779,908	2,843,317	2,900,833
Sundry Income	76,739	88,014	81,920
TOTAL INCOME	3,772,143	3,929,586	4,043,795
OPERATING COSTS			
Building Control	2,166,390	2,251,681	2,299,210
Liquor/Health/Registered Premises	448,363	470,044	554,640
Animal Control	382,949	395,315	401,177
Rural Fire	371,163	380,333	382,351
Maritime, Parking & Hazardous Substances	334,182	363,798	346,218
Loan Interest	21,428	19,294	20,051
Depreciation	15,736	16,537	19,534
TOTAL OPERATING COST	3,740,211	3,897,002	4,023,181
NET COST OF SERVICE (SURPLUS)	(31,932)	(32,584)	(20,614)
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	(31,932)	(32,584)	(20,614)
Capital	34,280	38,398	35,398
Transfer to Reserves	-	1,215	-
Loan Principal	17,495	17,495	18,745
	19,843	24,524	33,529
SOURCE OF FUNDS			
Restricted Reserves Applied	4,107	7,987	13,995
	4,107	7,987	13,995
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	15,736	16,537	19,534
	15,736	16,537	19,534
	19,843	24,524	33,529



Lee Valley

Engineering

The Engineering section is broken down into eight groups of related activities:

- Transportation
- Coastal Structures
- Aerodromes
- Water Supply
- Wastewater
- Stormwater
- Solid Waste
- Rivers

The 2011/2012 year budgets for the Engineering activities are outlined in the following table, along with the 2010/2011 budgets for comparison.

Engineering	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
Subsidised Land Transportation	12,550,143	14,042,184	14,497,554
Non Subsidised Land Transportation	6,195,472	6,475,601	7,650,235
Coastal Structures	1,230,191	1,183,526	1,348,752
Aerodromes	209,509	212,934	243,553
Water Supply	8,133,943	9,132,349	9,451,108
Wastewater	9,394,554	10,875,308	10,416,676
Stormwater	2,861,526	3,175,884	3,590,904
Solid Waste	6,333,631	7,594,720	6,521,163
River Works	2,093,185	2,272,947	2,143,238
TOTAL COSTS	49,002,154	54,965,453	55,863,183

Details of each of these groups of activities are outlined in the following pages. These pages cover what the Council does in relation to each activity group, why we do it, the contribution of the activities to the Community Outcomes, the activity goal, any key changes from the Ten Year Plan relating to the activity, how we will measure our performance, the key things we will be doing in relation to the activity and funding of the activity.

Engineering (cont.)

i. Transportation

What we do

Tasman District Council is responsible for the management of a transportation network that comprises approximately 1,680km of roads, (915km sealed and 765km unsealed), 467 bridges (including footbridges), 184km of footpaths, 21 carparks providing 1,100 spaces and 3,735 streetlights, traffic signs and culvert pipes. Each road in the transportation network has been categorised into a transportation hierarchy based on the road's purpose and level of use.

The Tasman District transportation network encompasses and requires:

- Ownership or authority to use the land under roads.
- Road pavements and surfacings to provide a carriageway for the safe movement of people and goods.
- Culverts, water tables and a stormwater system to provide drainage.
- Signs, barriers and pavement markings to provide road user information and safe transport.
- Bridges to carry traffic over waterways.
- Footpaths, walkways and cycleways to provide for the needs of pedestrians and cyclists.
- Street lighting to provide safe and comfortable movement of vehicular and pedestrian traffic at night.
- Carparking facilities where on-road carparking is not able to be provided adjacent to traffic lanes.

Why we do it

The provision of transport services is considered to be a core function of local government and is something that the Council has done historically. The service provides many public benefits and it is considered necessary and beneficial to the community that the Council undertakes the planning, implementation and maintenance of the transportation network. Transportation assists in promoting the economic, social, environmental and cultural well-being of the District's communities, by helping to facilitate the safe and efficient movement of people and goods throughout the District.

Contribution to Community Outcomes

Council operates, maintains and improves the infrastructure assets relating to transport on behalf of its ratepayers. It endeavours to meet the level of service and to enhance community development and improve the environmental and recreational assets relating to Tasman District.

The transportation activities contribute to the Community Outcomes as detailed below.

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique and special natural environment is bountiful, healthy, clean and protected.	All road construction activities use best practice in the use of the District's natural resources.
Our built urban and rural environments are functional, pleasant, safe and sustainably managed.	Our network of roads, footpaths, cycleways and carparks are safe, uncongested and maintained cost-effectively.
Our transport and essential services are sufficient, efficient and sustainably managed.	Our urban communities have a means of travel for pedestrians, cyclists and commuters that is safe and efficient. Our rural communities have safe and effective access to our transportation network.

Our goal

Council will progressively move towards managing all of its transportation responsibilities in a more holistic, integrated way.

Changes from the Ten Year Plan

There are several proposed changes from the Ten Year Plan for the transportation activity over the coming year. These are as follows:

- Funding for passenger transport was deleted in the 2010/2011 year, as a result of the New Zealand Transport Agency (NZTA) no longer subsidising this activity. NZTA funding has been re-prioritised to passenger transport services in major urban areas. It is unaffordable for Council to provide the transport services without the NZTA subsidy, therefore Council has deleted the activity from the 2011/2012 year in line with the decision made the previous year.
- Maintenance budgets are reduced due to NZTA not funding an allowance for inflation. This will be challenging and require very careful management by Council of the funding for maintaining roads to retain current levels of service.

Engineering (cont.)

- The NZTA criteria for funding cycling and walking projects have changed. NZTA has shifted the funding allocation priority to the major urban centres from elsewhere in the country. This shift has removed the 59 percent subsidy Council used to receive for walking and cycling projects in the Tasman District. As a result, Council will not proceed in 2011/2012 with the following projects.

- Brightwater town centre to State Highway 6 underpass
- Hill Street to Waimea College
- Hunter Avenue to Washbourn Drive
- Abel Tasman Drive - Takaka to Pohara (eight year project).

The Appleby Overbridge to Ranzau Road cycleway project which was initially planned for 2011/2012 was carried out during the 2010/2011 year as part of the Government subsidised New Zealand Cycleway Tasman Loop project (below).

- Last year the District was successful in receiving a \$2.14 million subsidy from the Government's New Zealand Cycleway project fund administered by the Ministry of Economic Development. In order to receive the subsidy Council had to contribute around \$1 million towards the Cycleway project. Council decided to divert funding it had previously allocated to the NZTA subsidised cycleways and walkways throughout the District (listed above) into the Tasman Loop of the New Zealand Cycleway, for a period of three years, which includes the 2011/2012 financial year.
- Council has proposed some minor changes to the priorities for expenditure in the non-subsidised roading budget including additional funding for streetlighting in Richmond, Wharf Road walkway (Motueka), funding to purchase designated property, new footpaths and rehabilitation of existing footpaths.
- Council is deferring the Gibbs Valley Road seal extension project from the 2011/2012 capital works programme for roading. The project was estimated to cost \$240,000 in the Ten Year Plan, however, once initial design work and costings were completed the estimate has been revised to \$500,000, meaning the

project could not be undertaken within the funding available. There are no NZTA subsidies available for this project. However, Council has agreed to consider carrying out some minor safety improvements on the Gibbs Valley Road and has allocated \$50,000 from the minor safety improvements budget towards the work.

- Council is adding into the 2011/2012 year the upgrade and safety improvement to Turner's Bluff on the Riwaka to Kaiteriteri Road. There are concerns about the stability of the road around the Bluff. The estimated cost of the work is \$650,000. The project will be funded from the transfer of the funding from the deferred Gibbs Valley Road seal extension and use of the NZTA subsidised minor safety improvements and preventative maintenance budgets.
- Council had planned to undertake a project to improve the entrance to Richmond and the central business area in the 2011/2012 year. The cost of the project was estimated at around \$412,720, which was to be funded by a loan and Development Contributions. Council is deferring the work until the 2012/2013 year, however, the timing of the project will be reconsidered through the review of the Long Term Plan in early 2012.
- Council is deferring the undergrounding of the powerlines in High Street, Motueka. The capital works budget for the project was \$126,713 in the 2011/2012 year. Network Tasman, who is jointly funding the project, has advised that it is not intending to commence the three-year project until 2012/2013.

Subsidised and non-subsidised transport activities

The Government provides funding assistance for many of Council's roading activities, referred to as a 'subsidy', through the New Zealand Transport Agency.

Qualifying activities include: road safety education, road maintenance, reseals, pavement rehabilitation, minor improvements (such as corner improvements), installation of right turn bays and pedestrian refuges. Major projects,

such as seal extensions, significant intersection upgrades or cycleways may also qualify for a subsidy if certain criteria are met. The provision and maintenance of footpaths are not included.

The financial assistance rate subsidy for Tasman is 49% for most activities with an increase to 59% for approved major works. The subsidy rate depends on the size of the overall programme of work and the assessed ability to pay, which is related to the capital value of the District. Council has, therefore, shown the programme of works as a 'subsidised programme' and 'non-subsidised programme'.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2019

Levels Of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance by Year 10
1. Our transportation activities use best sustainable practices.	All road construction and maintenance activities comply with any required resource consents.	Actual = 100 % Consents are held for all maintenance and current capital works. There have not been any non-compliances this year .	100%	100%
	Council keeps its Surface Condition Index (SCI) at or above 97.5%. The SCI is a nationally used index to represent surface condition and keeping it at this level will demonstrate Council is maximising the life of the sealed surfaces.	Actual = 96.1% as reported by NZTA at the end of June. This figure is a composite index derived from tables in Council's road asset (RAMM) database. There are some road sections that require updating of the actual seal life performance and this has resulted in the lower than expected figure. Therefore this is not a deterioration issue with the road network, but rather a data improvement activity.	SCI of 97.5%	SCI of 97.5%
	Council achieves 10km of seal extension within 10 years. Sealing eliminates dust for adjacent properties and is the lowest long term cost option.	Actual = 2.88 km 88 Valley Road seal extension was undertaken in 2009/2010. The original length was to be 3.13km. The project resulted in the shortening of the route by 235m (to 2.88km) due to the removal of a hairpin bend.	3km sealed in Year 1 1.5km in Year 3	10km completed by 2019

Engineering (cont.)

Levels Of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance by Year 10
2. Our network of roads, bridges, footpaths, cycleways and carparks are safe, uncongested and maintained cost-effectively.	We receive less than 35 complaints per year relating to the maintenance of footpaths.	Actual = 96 Complaints varied, the most common issue being uneven surface, followed by hazards from tree roots and damage at vehicle crossings.	35	30
	Bend – lost control/head-on crashes on rural roads are equal to the national average by 2018.	Actual = the loss of control crashes was measured as 1% above the national average. The national average was recorded as 57% for local authority roads and Tasman District Council measured 58% of crashes involved lost of control/head on. This crash data relates to the 2009 calendar year. Measures to be undertaken to address crashes include better delineation and road safety education programmes.	5% above national average	Equal to national average
	Road maintenance, reseals and pavement rehabilitation budgets are managed to within the range $\pm 2\%$.	Actual = + 0.42% Variance of + 0.42% across the maintenance, reseals and pavement rehabilitation budgets.	$\pm 2\%$ against budget	$\pm 2\%$ against budget
	We can reduce the number of speed or weight restricted bridges by 1 per year for the next 10 years until only 18 remain.	Actual = 27 The McCullum Road bridge was replaced with a box culvert in June 2010, allowing removal from the list.	Restricted bridges remaining: Year 1=27 Year 2=26 Year 3=25	18 restricted bridges remaining by Year 10.
	The average quality of the ride experienced by motorists, as measured by the Smooth Travel Exposure index (STE), is maintained at current levels.	Actual = 95% This information is taken from the NZTA report and covers all roads urban/rural. A higher STE index indicates less wear and tear on vehicles, better fuel efficiency and a more comfortable ride experienced.	94%	94%

Levels Of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance by Year 10
3. Our transportation network services those that should be serviced.	All dwellings within the District are able to access the Council's transportation network at all times unless subject to planned closures.	Actual = It is impossible to avoid all emergency road closures in the event of natural hazards. TDC aims to keep the numbers and duration of emergency closures to a minimum. This measure will be reviewed as part of the next Ten Year Plan process to provide a measureable performance target.	100%	100%
	An annual programme of new footpaths as agreed with the communities is constructed to Council standards.	Actual = 100% A new footpath has been constructed in Murchison (Hotham – Chalgrave) and new shared paths constructed along the Pohara Seawall and the Railway Reserve.	100%	100%
	Capital projects are completed on time, within budget and to Council Engineering Standards and policies.	Actual = 96% Only three of the capital projects programmed for completion in this financial year will not be completed on time, accounting for 4% of the capital project expenditure. The three projects are as follows:- <ul style="list-style-type: none"> • Gladstone Road power undergrounding • Mapua - Aranui Road kerb and channel • Cycle/pedestrian facility at Champion Road 	90%	90%

Engineering (cont.)

Levels Of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance by Year 10
4. Our transportation activities are managed at a level that satisfies the community.	Council increases the network of walking and cycling paths by 8km by 2019.	Actual = 1.820km 1.5km cycleway from Lower Queen Street to the Appleby Highway. 320m shared path along the Pohara Seawall .	1km in Year 1 1.3km in Year 2 2.2km in Year 3	Total of 8km completed by Year 10
	Our surveys show that 70% of customers are satisfied with the transportation service they receive.	Actual = 64% The Communitrak survey shows that 64% (June 2010) of users of the service were found to be satisfied with the service they receive (2009: 73%). The main reasons for not being satisfied are that roadworks are ongoing, take too long, poor quality of work/patching/don't clean up afterwards, and potholes/uneven/rough/bumpy. It should be noted however that there were a significant number of comments on the High Street (State Highway) roadworks in Motueka. State Highway works are under the jurisdiction of NZTA not Council. Therefore, the results do not accurately reflect the level of satisfaction with Council controlled roads, which would be higher than the 64% achieved.	70%	75%
	Council has adopted a Passenger Transport Plan after consultation with the community.	Actual = Passenger Transport Strategy in place and has been adopted The funding from NZTA for this work activity area has been reallocated to other metropolitan areas within NZ. This will significantly affect Council's ability to fund this activity area.	Completed in Year 1	Plan in place
5. Faults in the transportation network are responded to and fixed promptly.	We are able to respond to and fix faults within the timeframes we have specified within our operations and maintenance contracts.	Actual = 81.4% of Customer Service Requests were completed within the specified timeframes. The new roading maintenance contractor in Tasman and Waimea areas, which started on 1 July 2009, has taken time to establish and resource responses to Customer Service Request requirements.	90%	95%

Levels Of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance by Year 10
6. Our systems are built so that failures can be prevented before they occur as much as possible, and if they do occur, can be quickly responded to.	We have a facility for receiving and handling emergency calls after office hours.	Actual = In place Council has an after-hours call centre that receives calls out of regular office hours. Contractors and system duty managers have duty staff who are contactable to respond to emergencies.	Continue to do the same	Continue to do the same
	We have operative risk management processes in place and planned mitigation measures completed.	Actual = Framework in development. TDC has adopted an Integrated Risk Management approach to its asset management and organisational decision making.	In place and operating	In place and operating
	All Council's contractors have adequate resources available in case of a road failure.	Actual = All Council's contractors have adequate resources available in case of a road failure. This has been tested and the contractor was able to meet the expected level of service.	Continue to do the same	Continue to do the same
	There are no loss of control crashes for all known frost potential sites.	Actual = There were four loss of control crashes occurring on Ice/Snow during 2009. All four occurred at known frost potential sites. This reporting runs from January 2009 – December 2009 so does not match the TDC reporting year. 2009 was a harsh winter with many frost sites being new to the area and the change in maintenance contracts resulted in some gaps with regard to known frost sites. These issues have been addressed with better management of this matter.	Nil crashes	Nil crashes

Engineering (cont.)

Major activities

Ongoing management, maintenance and renewal of Council's transportation network comprising roads, bridges (including footbridges), footpaths, carparks, streetlights, traffic signs and culvert pipes.

The following table details the significant capital and renewal work programmed for the 2011/2012 year.

Activity	Annual Plan Budget 2011/2012
Sealed Roads Pavement Rehabilitation – approximately 6km per year	\$700,000
Minor Safety Improvements	\$941,960
Kerb, Channel and Footpaths	\$292,976
Road Legalisation - land purchases	\$300,000
Lower Queen Street - land purchases	\$400,000
Turner's Bluff Realignment	\$255,000
Route study at Aniseed Valley	\$32,912
Tasman Cycle Loop (includes funding of \$1.8 million being provided for this project from the Ministry of Economic Development, plus \$100,000 from Reserve Financial Contributions and \$110,000 from the Nelson Cycleway Trust.)	\$2,385,882
Bridge Renewals – Yellowpine Creek Bridge on Pakawau-Bush Road and Awaroa Road Bridge 1, Awaroa Road (specific bridges subject to funding confirmation)	\$440,000
New Footpath construction district-wide	\$109,708
Re-seal Cobb Valley (lower road)	\$117,124
James Road Bridge replacement	\$1,200,000

Cost of Service Statement (including an allowance for inflation)

Subsidised Land Transportation	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
General Rates	6,025,301	7,004,751	6,269,212
Development Contributions	65,163	138,934	138,934
New Zealand Transport Agency Subsidy	7,423,902	8,275,646	8,366,430
Petrol Tax	323,000	323,000	323,000
Fees & Recoveries	35,736	36,714	159,860
Sundry Income	436,583	550,018	466,059
TOTAL INCOME	14,309,685	16,329,063	15,723,495
OPERATING COSTS			
Maintenance	6,745,188	7,477,122	7,518,826
Loan Interest	986,508	1,287,480	1,090,207
Depreciation	4,818,447	5,277,582	5,888,521
TOTAL OPERATING COST	12,550,143	14,042,184	14,497,554
NET COST OF SERVICE (SURPLUS)	(1,759,542)	(2,286,879)	(1,225,941)
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	(1,759,542)	(2,286,879)	(1,225,941)
Capital	9,391,777	10,550,545	10,389,924
Transfer to Reserves	-	-	43,165
Loan Principal	906,238	1,130,377	1,110,912
	8,538,473	9,394,043	10,318,060
SOURCE OF FUNDS			
Loans Raised	3,720,026	4,116,461	4,429,539
	3,720,026	4,116,461	4,429,539
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	4,818,447	5,277,582	5,888,521
	4,818,447	5,277,582	5,888,521
	8,538,473	9,394,043	10,318,060

Engineering (cont.)

Non Subsidised Land Transportation	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
General Rates	2,363,346	2,531,797	2,676,306
Targeted Rate	5,733	5,733	5,733
Development Contributions	637,715	654,134	654,134
Fees & Recoveries	228,519	234,746	2,486,928
Sundry Income	211,643	266,633	225,932
TOTAL INCOME	3,446,956	3,693,043	6,049,033
OPERATING COSTS			
Maintenance	1,927,711	2,077,570	2,304,119
Loan Interest	424,902	471,536	506,120
Depreciation	3,842,859	3,926,495	4,839,996
TOTAL OPERATING COST	6,195,472	6,475,601	7,650,235
NET COST OF SERVICE (SURPLUS)	2,748,516	2,782,558	1,601,202
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	2,748,516	2,782,558	1,601,202
Capital	1,609,415	1,889,257	4,840,653
Transfer to Reserves	-	76,319	218,676
Loan Principal	428,296	783,137	853,080
	4,786,227	5,531,271	7,513,611
SOURCE OF FUNDS			
Loans Raised	943,368	1,604,776	2,673,615
	943,368	1,604,776	2,673,615
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	3,842,859	3,926,495	4,839,996
	3,842,859	3,926,495	4,839,996
	4,786,227	5,531,271	7,513,611

ii. Coastal Structures

What we do

This activity comprises the provision and maintenance of some wharves, jetties and associated buildings, along with navigational aids, boat ramps, road access and parking to provide safe access to significant parts of the District's coastal facilities for recreation and commercial use. The provision of some of the coastal protection structures also forms part of this activity.

This activity covers:

- Ownership of wharves at Mapua and Riwaka.
- Responsibility for the port at Motueka.
- Jetties (such as at Torrent Bay), boat ramps, navigational aids and moorings.
- Coastal protection works at Ruby Bay and Marahau.
- The navigation aids associated with harbour management.
- Port Tarakohe at Golden Bay is reported on separately through the Enterprise Subcommittee of the Council, but is included in this activity for ease of reporting. The aim over time, is for Port Tarakohe to be developed. This development will primarily have a commercial focus, but will also provide social and recreational benefits.

Why we do it

Council has a responsibility as a Regional Authority to manage coastal structures that they own or that have no other identifiable owner/operator. Council has further responsibilities as a Harbour Authority.

Council considers its involvement in the continued ownership and responsibility for the coastal assets is justified because they have a public value. The community preference is for Council to retain management of assets that are important to them. In addition, Council has access to more favourable financing options for this particular activity. The provision of coastal assets and services which have a high community value is considered to be a core function of local government.

Engineering (cont.)

Contribution to Community Outcomes

Council maintains and improves the infrastructure assets relating to coastal structures on behalf of the ratepayers and strives to meet the level of service to enhance community development and improve the environmental and recreational assets relating to Tasman District.

The coastal structures activity contributes to the community outcomes as detailed below.

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique and special natural environment is bountiful, healthy, clean and protected.	All coastal structures can be managed so their impact does not affect the health and cleanliness of the receiving environment.
Our built urban and rural environments are functional, pleasant, safe and sustainably managed.	The coastal structures activity ensures our built environments are functional, pleasant and safe by ensuring the coastal structures are operated without causing public health hazards and by providing attractive recreational and commercial facilities.
Our transport and essential services are sufficient, efficient and sustainably managed.	The coastal structures activity provides commercial and recreational facilities to meet the community needs at an affordable level. The facilities are also managed sustainably.

Our goal

Coastal infrastructure is developed to achieve the visions of both Council and the community.

Changes from the Ten Year Plan

Council is proposing two main changes in the Coastal Structures activity from Year 3 of the Ten Year Plan:

- Port Tarakohe: Council is proposing to increase the general rate funding towards operations at Port Tarakohe by around \$105,000 from the 2010/2011 Annual Plan budget. The reasons for the increase include:
 - A reduction in the potential income from dolomite going out through the Port
 - Less income than projected from the new marina due to an expected later completion date
 - Funding needed to cover the loan servicing costs for the marina for the first few years of operation.
- Coastal structures: Council has agreed to pool the \$340,000 funding, made up of \$100,000 in the 2010/2011 budget and \$240,000 in the 2011/2012

Annual Plan budget, for the Mapua pontoon replacement, re-roofing the Mapua Wharf buildings, and navigational aids projects, to be undertaken during the 2011/2012 year. Staff will report back to Council on the allocation of funding between the projects prior to receiving final sign-off of any project expenditure.

- Council has agreed to provide a provisional budget of \$150,000 to fund interim remedial work on erosion at Jackett Island as a result of an Environment Court decision. The funding will come from the proceeds from recent sales of property that was land reclaimed for Motueka harbour works prior to 1917. Funding for the continuation of work will be considered through the Long Term Plan 2012-2022, once the permanent remedial works programme has been identified.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2019

Levels of Service (We provide)	We will know we are meeting the Level of Service if....	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance by Year 10
1. Our coastal systems are sustainable.	All coastal protection systems have resource consent with appropriate conditions which we consistently meet.	There have been no abatement notices issued for breach of resource consent conditions.	100%	100%
2. Our coastal activities are managed at a level that satisfies the community.	Our three-yearly surveys show that 80% of customers are satisfied with the service of the coastal activity they receive.	The Communitrak survey shows that 60% of people surveyed are satisfied with the management of coastal structures, with 34% unable to comment. (2009: Not surveyed).	70%	80%
	The marina at Tarakohe is operating at 90% capacity or greater.	The marina is currently oversubscribed (110% of capacity).	95%	95%
3. Faults in the coastal assets are responded to and fixed promptly.	We are able to respond to and fix faults (e.g. localised damage to rock protection works, damage to navigational aids) within the timeframes we have agreed with our suppliers and operators.	All Council's contractors have adequate resources available in case of asset failures. This has been tested and the contractors are able to meet the expected level of service.	90%	90%
4. Our navigational aid systems are built so that failures can be prevented. If failures do occur they can be responded to quickly.	We have a facility for receiving and handling emergency calls after office hours.	Council has an after-hours call centre that receives calls out of regular office hours. Contractors and system duty managers have duty staff who are contactable to respond to emergencies	Continue to do the same	Continue to do the same
	Our access and navigational systems meet the appropriate Maritime Transport standards and guidelines.	This target has not been measured and the appropriateness of the performance measure will be assessed in the next Ten Year Plan.	100%	100%
5. Our coastal structures are built so that failures can be prevented. If failures do occur they can be responded to quickly.	We have operative risk management processes in place and planned mitigation measures completed.	Council is currently working through a risk management process.	In place and operating	In place and operating

Engineering (cont.)

Major activities

Ongoing management, maintenance and renewal of Council's coastal structures, comprising some wharves, jetties and associated buildings, navigational aids, boat ramps, road access and parking, and some of Council's coastal protection structures.

The following table details the significant capital and renewal work programmed for the 2011/2012 year.

Activity	Annual Plan Budget 2011/2012
Mapua Wharf upgrade, including re-roofing wharf sheds and deck and pile replacements, Navigational Aids, and Mapua Pontoon replacement.	\$240,000 (plus \$100,000 to be carried over from 2010/2011).

Cost of Service Statement (including an allowance for inflation)

Coastal Structures	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
General Rates	347,415	375,383	416,045
Targeted Rate	131,204	131,204	131,204
Fees & Recoveries	804,853	861,816	761,184
Sundry Income	33,954	42,776	36,246
TOTAL INCOME	1,317,426	1,411,179	1,344,679
OPERATING COSTS			
Motueka	46,899	50,397	60,501
Tarakohe	164,552	168,881	175,690
District Wharves & Boat Ramp	108,013	101,821	166,534
Loan Interest	582,800	533,000	499,485
Depreciation	327,927	329,427	446,542
TOTAL OPERATING COST	1,230,191	1,183,526	1,348,752
NET COST OF SERVICE (SURPLUS)	(87,235)	(227,653)	4,073
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	(87,235)	(227,653)	4,073
Capital	3,832,122	634,111	429,495
Transfer to Reserves	33,530	14,643	14,222
Loan Principal	382,810	497,662	414,820
	4,161,227	918,763	862,610
SOURCE OF FUNDS			
Restricted Reserves Applied	126,178	1,301	136,573
Loans Raised	3,707,122	588,035	279,495
	3,833,300	589,336	416,068
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	327,927	329,427	446,542
	327,927	329,427	446,542
	4,161,227	918,763	862,610

Engineering (cont.)

iii. Aerodromes

What we do

Tasman District Council's Aerodromes activity comprises the provision and maintenance of the following assets at Motueka and Takaka:

- Ownership and authority to use the land under the runways.
- Runway pavements and surfaces for safe landing, takeoff and taxiing of aircraft.
- Ancillary buildings for administration and housing of associated activities.
- Navigational aids.
- Security fencing and other arrangements for protection of the assets and safety of the users.

Why we do it

Council has no statutory obligation to provide this service. However, Council considers that its involvement is justified because aerodromes have a public value, and the community preference is for Council to retain management of assets that are important to the community.

Contribution to Community Outcomes

Council maintains and improves the assets relating to aerodromes on behalf of the ratepayers and strives to meet the levels of service to enhance community development and improve the environmental and recreational assets of Tasman District.

The aerodromes activity contributes to the community outcomes as detailed below.

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique and special natural environment is bountiful, healthy, clean and protected.	All aerodromes can be managed so the impact of the discharges does not affect the health and cleanliness of the receiving environment.
Our built urban and rural environments are functional, pleasant, safe and sustainably managed.	The aerodromes activity ensures our built urban environments are functional, pleasant and safe by ensuring the aerodromes are operated without causing public health hazards and by providing attractive recreational and commercial facilities.
Our transport and essential services are sufficient, efficient and sustainably managed.	The aerodromes provide commercial and recreational facilities to meet the community needs at an affordable level and are available to the whole community. The facilities are also sustainably managed.

Our goal

We aim to provide the level of service that the customer wants and is prepared to pay for and in a manner that minimises conflict with the community.

Changes from the Ten Year Plan

The upgrade of the grass runway at Motueka aerodrome has been deferred and will not now occur during 2011/2012.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-1019

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance by Year 10
1. Our aerodromes do not pollute or degrade the receiving environment.	All associated facilities are required to connect to the community sewerage system where it is available.	All associated facilities are connected to the community sewerage systems where available.	100%	100%
	Activities are controlled so as to minimise noise pollution to an acceptable level.	An Operations and Safety Committee has been formed which met in May/June 2010. It will monitor this activity and it has a role in encouraging best practice for aerodrome users.	100%	100%
2. Our aerodromes operate with a minimum of disturbance to the public and adjacent landowners.	We receive less than five complaints per year relating to noise from our aerodromes.	We receive noise complaints about operational aircraft. However, there are no noise standards for aircraft before takeoff, during takeoff and after landing. The Civil Aviation Authority is the only organisation able to deal with aircraft noise complaints. We are of the view that this performance measure is not really appropriate and we will review it at the next review of the Ten Year Plan.	<5	<5
	The height for structures on adjacent properties within the flight paths is not increased beyond that currently required.	There have been no breaches for these requirements.	100%	100%

Engineering (cont.)

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance by Year 10
3. Our aerodromes serve those that should be served.	The community and stakeholders are consulted over aerodrome development plans	A review of the Motueka Aerodrome Development Plan has commenced and a draft plan is expected to go before Council's Enterprises Subcommittee in December 2010. Public consultation will follow.	100%	100%
	Notification (via NOTAMS) to all aviation aerodrome users is provided as required through the Civil Aviation Authority.	We are able to respond and fix all faults within the timeframes we have specified within our operations and maintenance contracts and in accordance with the Civil Aviation Authority requirements.	100%	100%
4. Our aerodromes activities are managed at a level that satisfies the community.	Our surveys show that 80% of customers are satisfied with the aerodromes service they receive.	At present no specific survey has been undertaken. This will be developed and reported on by Year 3.	80% (not measured until Year 3)	80%
5. Faults in the aerodromes facilities are responded to and fixed promptly.	We are able to respond to and fix faults within the timeframes we have specified with our operations and maintenance contracts and in accordance with the Civil Aviation Authority requirements.	We are able to respond to and fix all faults within the timeframes we have specified with our operations and maintenance contracts and in accordance with the Civil Aviation Authority requirements.	100%	100%
6. Our systems are built so that failures can be prevented. If failures do occur they can be responded to quickly.	We have a facility for receiving and handling emergency calls after office hours.	Council has an after-hours call centre that receives calls out of regular office hours. Contractors and system duty managers have duty staff who are contactable to respond to emergencies	Continue to do the same	Continue to do the same
	We have operative risk management processes in place and planned mitigation measures completed.	Operative risk management processes planned mitigation measures will be included as part of future plans. Council is currently working through a risk management process.	In place and operating	In place and operating
	Except for planned maintenance, the facilities comply with Civil Aviation Authority requirements at all times.	The facilities comply with Civil Aviation Authority requirements at all times.	Continue to do the same	Continue to do the same
	Spare equipment is held for navigational aids.	There is spare equipment held for navigational aids.	In place and operating	In place and operating

Major activities

Ongoing management, maintenance and renewal of the Motueka and Takaka aerodromes.

Council will be reviewing the management of the Motueka aerodrome and will develop emergency plans for the aerodrome, which has a budget of \$15,000.

Cost of Service Statement (including an allowance for inflation)

Aerodromes	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
General Rates	8,547	33,372	13,600
Fees & Recoveries	106,710	117,719	128,720
Sundry Income	4,416	5,212	4,714
TOTAL INCOME	119,673	156,303	147,034
OPERATING COSTS			
Takaka	20,476	24,090	33,577
Motueka	86,509	86,945	101,494
Loan Interest	5,826	5,494	5,101
Depreciation	96,698	96,405	103,381
TOTAL OPERATING COST	209,509	212,934	243,553
NET COST OF SERVICE (SURPLUS)	89,836	56,631	96,519
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	89,836	56,631	96,519
Capital	-	32,912	-
Loan Principal	6,862	6,862	6,862
	96,698	96,405	103,381
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	96,698	96,405	103,381
	96,698	96,405	103,381



Motueka Aerodrome

Engineering (cont.)

iv. Water Supply

What we do

This activity comprises the provision of potable water (ie, water suitable for use and consumption by people) to properties within 16 existing water supply areas (known as the urban water club) in the Tasman District. The Council's network is extensive and growing rapidly. At present the network comprises approximately 659km of pipeline, 34 pumping stations, 11,387 domestic connections and 44 reservoirs and break pressure tanks with a capacity of approximately 18,330 cubic metres of water. In addition Council manages the Wai-iti water storage dam to provide supplementary water into the Lower Wai-iti River and aquifer. Water is supplemented at times of low river flows to allow a sustained water take for land irrigation.

Tasman District Council owns, operates and maintains 10 Urban Water Supply Schemes, three Rural Supply Schemes, and three Community Schemes.

Why we do it

The provision of water supply services is considered to be a core public health function of local government and is something that the Council has always provided. The service provides many public benefits and it is considered necessary and beneficial to the community that the Council undertakes the planning, implementation and maintenance of water supply services in the District.

Territorial authorities have numerous responsibilities relating to the supply of water. One such responsibility is the duty under the Health Act 1956 to improve, promote, and protect public health within the District. This implies that, in the case of the provision of potable water, councils have the obligation to identify where such a service is required, and to either provide it directly themselves, or to maintain an overview of the supply if it is provided by others.

Contribution to Community Outcomes

Council operates, maintains and improves the infrastructure assets relating to water on behalf of the ratepayers. It endeavours to meet the level of service they require to enhance community development and improve the environmental and recreational assets relating to Tasman District.

Engineering (cont.)

The water supply activities contribute to the community outcomes as detailed below.

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique and special natural environment is bountiful, healthy, clean and protected	All water in the Council-owned schemes is taken from the environment. This activity can be managed so the impact of the water take does not prove detrimental to the surrounding environment.
Our built urban and rural environments are functional, pleasant, safe and sustainably managed.	The water supply activity is a service to the community providing water that is safe to drink and is efficiently delivered to meet customer needs. It also provides a means for fire fighting consistent with the national fire fighting standards.
Our transport and essential services are sufficient, efficient and sustainably managed.	The water activity is considered an essential service that should be provided to all properties within water supply network areas in sufficient capacity and pressure. This service should also be efficient and sustainably managed.

Our goal

We aim to:

- Provide and maintain water supply systems to communities in a manner that meets the levels of service.

Changes from the Ten Year Plan

There are several changes from Year 3 of the Ten Year Plan proposed for the Water Supply activity over the coming year. In addition there is ongoing uncertainty around the Motueka Water Supply project, which is also covered below.

- Council is deferring the upgrade of the Murchison water treatment plant. The cost of the project was estimated at \$50,000. The project was programmed in the Ten Year Plan in 2011/2012 to bring the plant up to the new Drinking Water Standards. The Government placed a three year moratorium on the introduction of the Standards, accordingly, the timing of the project will be reconsidered through the review of the Long Term Plan in early 2012.
- Council will be undertaking stormwater work in Poole Street, Motueka in early 2011. Council has planned a new project to install a new water main in Poole Street to coordinate timing with the stormwater work. The cost of the water main project is \$300,000.

- Council is reducing the capital works budget of \$1 million for the Richmond water treatment plant to \$600,000 for the 2011/2012 year. Staff still need to resolve land purchase and final site design matters; therefore, the full budget is unlikely to be required in 2011/2012.
- Council is increasing the capital works budget for the Coastal Tasman pipeline investigation work by \$411,300 in 2011/2012. The additional funding is likely to be needed for resource consents, design and property acquisition purposes.
- A new services agreement is planned between Nelson City Council and Tasman District Council, for the supply of water to Nelson City ratepayers in the areas of Champion Road, Garin College, and the Wakatu Industrial Estate. Tasman District Council currently supplies water to these users, but under individual supply arrangements. The proposed agreement is for the supply of water to Nelson City Council, rather than to individual residents and businesses. If the proposed agreement proceeds, Nelson City Council will be responsible for the supply of water directly to its ratepayers who are currently supplied by Tasman District Council. The cost of the water supply from Tasman District Council to Nelson City Council would be the same as to water users with a metered connection in Richmond.
- Council is increasing the urban water supply rates for metered connections from \$1.28 to \$1.50 per cubic metre supplied. The targeted rate for the supply of water calculated as a fixed daily amount per rating unit is increasing from 44.99 to 51.89 cents per day (excl GST). This increase is a result of the dispute with the Industrial Water Users over water charges being unresolved at June 2011.
- The Wai-iti Dam Rate pays for the costs of the Wai-iti Dam. Since commissioning the dam the costs have exceeded the revenue generated from the rate. Initial estimates for operations and maintenance costs for the dam were established when the dam project commenced. These costs were agreed to be fixed for a three year period on completion of the dam works.

However, the initial estimate did not cover all of the monitoring and maintenance work required. Council is increasing the rate from \$280.00 in the 2010/2011 year to \$291.70 in the 2011/2012 year to cover the deficit in funding.

- There are four rural water schemes where Council is proposing to increase the rates charged to users:
 - 1. Eighty Eight Valley Rural Water Scheme:**
The major reason for the rate increase is the higher costs than budgeted incurred in obtaining the renewal of the operational resource consent. Initially the resource consent was estimated to cost up to \$5,000, but it ended up costing around \$85,000, due to an appeal to the Environment Court. Council is increasing the unit rate from \$48.09 in the 2010/2011 year to \$65.00 in the 2011/2012 year and an increase in the property rate from \$55.48 in 2010/2011 to \$75.00 in 2011/2012 to cover the deficit in funding.
 - 2. Dovedale/Neudorf Rural Water Scheme:**
The rate increase is to cover the increase in operating costs for the main replacements and repairs of leaks in the system, drought monitoring, along with the costs of operating the alternative water source. Council is increasing the rate from \$519.61 for the first unit supplied and \$363.54 for the second and subsequent units in the 2010/2011 year to \$582.30 and \$407.29 respectively in the 2011/2012 year to cover the deficit in funding.
 - 3. Hamama Rural Water Scheme**
The rate increase is to cover capital works improvements undertaken on the Hamama scheme. The 2010/2011 year rate of 0.0264 cents per dollar of land value is increasing to 0.0339 cents.
 - 4. Redwood Valley Rural Water Scheme**
The rate increase is to cover capital works improvements undertaken on the Redwoods Valley Scheme. The 2010/2011 rate of \$332.85 per unit supplied will be increasing to \$380.26 in 2011/2012.

Engineering (cont.)

Motueka Water Supply:

In the Ten Year Plan Council planned to provide a reticulated water supply to Motueka township at a cost of around \$19.3 million (including an allowance for inflation).

The purposes of the water reticulation scheme are to:

- Reduce the potential public health risk associated with bore water use.
- Significantly improve the fire fighting capacity in the residential and commercial areas of the town.
- Provide high quality water to all users in the township making sure water is available when and where it is needed.
- Ensure there is adequate water available for the long term residential, commercial and industrial needs of the growing Motueka community.

At the time when the Ten Year Plan was produced, we noted the potential to receive a Government subsidy to offset some of the costs of the project on the community. Council decided to proceed with the project only if it receives a satisfactory Government subsidy.

In 2009 the Government put a hold on the subsidy scheme and did not accept any further applications. The Government has now reviewed the subsidy scheme, and in late 2010 announced that new applications could be lodged. The Government has amended some application criteria and also how subsidies may be approved and allocated. Council has very recently lodged a new subsidy application with the support of the Motueka Community Board, with an expectation of getting a funding decision from the Government in September 2011. The outcome of this application and the level of Government funding will inform the evaluation of options for the Motueka Water Supply project. Final consultation with Motueka ratepayers will occur during the development of the 2012-2022 Long Term Plan.

Lee Valley Dam:

Council has received a proposal from the Waimea Water Augmentation Committee (WWAC) relating to the governance and ownership structure for the Lee Valley Dam project. Council has commissioned a study to look at the WWAC proposal along with other potential options for governance and ownership. Council is required under the Local Government Act to consider options and to consult widely with the community on significant matters, like the proposal to build the Lee Valley Dam. This information will contribute to finalisation of the WWAC feasibility study and will provide information to feed into Council's decision making processes.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2019

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Future Performance by Year 10
1. Our water takes are sustainable.	All water takes have resource consents with appropriate conditions which we consistently meet.	Actual = 100% A current resource consent is in place for each water take. The resource consent for the 88 Valley Rural Water Scheme expired in 2005, but is being legally operated under the expired consent until the application for renewal of the consent is approved.	100%	100%
2. Our water is safe and pleasant to drink.	No advisory notices are issued to boil water.	No boiled water notices were issued for Council's public water supply. A boiled water notice was issued for 5 properties at Faraday Rise following contamination of their private reticulation.	0	0
	Our water supplies have a Public Health Risk Management Plan (PHRMP) in place.	Actual = 19% (3 out of 16 schemes approved). Council needs to have 16 PHRMPs. We have three completed and approved, these being for Tapawera, Upper Takaka and Motueka.	Year 1=10% Year 2=50% Year 3=88%	100%
	Grading of water supplies meets the Drinking Water Standards for New Zealand (DWSNZ). For Richmond that means a grading of Bb. All other communities will aim for a Cc.	Actual = 2 out of 16 schemes comply. Since compliance with DWSNZ has become mandatory, the grading process has been considered to be of a lower priority by the Ministry of Health. The key grade now is whether the supply complies with DWSNZ or not. With an extensive programme of treatment plant upgrades in place already, it is unlikely that Tasman District Council will carry out the grading process. The PHRMPs highlight the upgrades needed to ensure a supply meets DWSNZ. Therefore, if the recommendations made in the PHRMP have been implemented, the supply can be deemed to meet DWS. Treatment upgrades identified in the PHRMPs have been implemented at Tapawera and Upper Takaka after receiving Ministry of Health funding. We now have full compliance with the DWSNZ at Upper Takaka and Tapawera.	2/16 schemes comply	All schemes comply

Engineering (cont.)

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Future Performance by Year 10
2. Our water is safe and pleasant to drink. (cont.)	Testing of water supplies confirms that water meets DWSNZ 2005.	<p>Actual = 100% follow up of non compliances. Council carries out water compliance testing on all of its public water supplies to DWSNZ:2005. If a transgression occurs, further samples are taken and an investigation begins.</p> <p>Reticulation Zone – 646 samples were taken over the year. Of these, 6 transgressions were recorded for E.coli and 19 transgressions recorded in Richmond for nitrate = 96.1%</p> <p>Treatment Plant – 691 samples were taken over the year. Of these, 2 transgressions were recorded for E.coli and 10 transgressions at Richmond for nitrate. = 98.3%</p>	Continue to do the same 100% notification of any non-compliance	Continue to do the same 100% notification of any non-compliance
3. Our water is efficiently delivered to meet customer needs.	Water pressure to all urban and rural supply customers meets minimum pressure requirements as stipulated in the TDC Engineering Standards.	<p>Actual = >95% of area covered by schemes meet the Standards. All supplies meet the minimum pressure requirements as a whole, but there are some isolated areas of exception. These are: Richmond – small area at high level above Hill Street; Cropp Place and Hillplough Heights (less than 20 properties in total). Wakefield – top of Hunt Terrace (5 properties) Mapua / Ruby Bay – top of Crusader Drive Collingwood – Two properties in Swiftsure Street adjacent to the reservoir.</p>	95% of area covered by schemes meet the Standards	95% of the area covered by schemes meet the Standards
	Acceptable water losses are identified for each water supply and a water loss reduction programme is in place to achieve those targets.	Actual = 3 of out 16 water supplies. Leak detection has been undertaken at Brightwater, Tapawera, Murchison, Wakefield, and Mapua. Significant leaks have been fixed as a result, but the programme will be ongoing.	By Year 1 three, Year 2 four and Year 3 eight out of 16 supplies will have water loss programmes in place	By 2019, 11 out of 16 supplies will have water loss programmes in place

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Future Performance by Year 10
4. Our water supply systems provide fire protection to a level that is consistent with the national standard.	Urban water supply systems are able to meet W3 standard Code of Practice for Fire Fighting Water Supplies.	Actual = 90% Nine out of ten urban systems fully comply with the fire fighting capability. The vast majority of Richmond complies, with the exception of Cropp Place and the top end of Hillplough Heights. Rural water supplies and community supplies don't provide fire-fighting capacity. Takaka and Motueka have a network of fire wells which provide a limited fire-fighting service.	90%	100%
5. Our water supply systems serve those that should be serviced.	Our urban water supply systems are able to service new water supply connections from properties inside Council Water Supply Areas.	Actual = 9 out of 10 Urban schemes are able to service new connections to the system. New connections are not presently being accepted in Mapua/Ruby Bay. This issue will be resolved with the construction of the Coastal Tasman Area (CTA) water supply pipeline from Motueka.	By 2012, 9 out of 10 urban supplies will be able to accept new connections	By 2019, all urban supplies will be able to accept new connections
	Council's Water and Sanitary Service Assessments (WSSA) identifies communities which could benefit from a new Council owned water supply scheme and makes a decision on whether to plan for a new scheme to be developed.	Actual = The initial WSSA was produced in 2005. It identified Motueka as a Priority 1 community for water supply. The communities of Marahau/Sandy Bay, Tasman/Kina, Pohara, Ligar Bay, Tata Beach, Takaka and Patons Rock were identified as Priority 2 communities. The WSSA was originally scheduled to be updated in this financial year, but has been deferred in light of the July 2009 amendment to the Local Government Act 2002 (LGA). The next revision of the Activity Management Plan (AMP) will review the timing and scope of the next WSSA update.	The WSSA will be reviewed in 2010/2011	Continue to do the same
6. Our water supply activities are managed at a level that the community is satisfied with	Our surveys show that 80% of customers are satisfied with the water supply service they receive.	Actual = 90% The Communitrak survey undertaken shows that 90% of receivers of the service were found to be satisfied with the service they receive. (2009: 88% satisfied).	80%	85%

Engineering (cont.)

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Future Performance by Year 10
7. Our systems are built so that failures can be prevented. If they do occur they can be responded to quickly.	We are able to respond to and fix faults within the timeframes specified in our operations and maintenance contracts.	Actual = 98% The operations and maintenance contractor is required to meet a target of 90% of faults to be responded to and fixed within specified timeframes. The figure reported here relates to completion within the required response time frame.	90%	90%
	We have a facility for receiving and handling emergency calls after hours.	Actual = In place Council has an after-hours call centre that receives calls out of regular office hours. Contractors and system duty managers have duty staff who are contactable to respond to emergencies.	Continue to do the same	Continue to do the same
	We have an operative risk management framework in place and have planned mitigation measures.	Actual = Framework in development. TDC has adopted an Integrated Risk Management approach to its asset management and organisational decision making .	Plan developed in Year 1 and In place and operating by Year 3	In place and operating
	We have the following water storage in the water supply systems: Urban: - one day at average annual demand. Rural: - six hours at average annual demand.	Actual = 11 of the 13 schemes have the required storage. All three rural schemes meet storage requirements. 8 of the 10 urban supplies meet the required storage. Richmond fails to meet the requirement. Projects are identified within the AMP to construct new reservoirs in this area. Tapawera also fails to meet the required storage volume. However, this year has seen significant reduction in water loss through leaks in this system, so it is anticipated that the scheme does satisfy storage requirements.	Year 1= 12 of 13 schemes, Years 2 and 3 = all schemes have required storage	All urban and rural schemes have required storage
	We have constructed and maintain hydraulic models of our water supply systems to ensure we have the best knowledge and understanding of each system.	Actual = 37.5% Hydraulic models have been constructed and are maintained for 5 of our 16 water supplies. Richmond, Waimea, Mapua, Brightwater and Wakefield. A model is currently being constructed for Motueka.	Year 1=40% Year 2=45% Year 3=50%	70%

Major activities

Ongoing management, maintenance and renewal of Council's water supply network, comprising supply pipelines, pumping stations, domestic connections, reservoirs and break pressure tanks, and the Wai-iti water storage dam.

The following table details the significant capital and renewal work programmed for the 2011/2012 year.

Activity	Annual Plan Budget 2011/2012
CTA/Coastal Pipeline 2010-2019	\$1,046,665
Motueka - Poole Street new water main	\$300,000
Richmond Major Projects:	
• Reticulation renewals or upgrades (2010 onwards)	\$330,369
• Re-zoning (2010-2014)	\$535,512
• Richmond East (2010-2016)	\$130,882
• Treatment Plant (2010-2013)	\$600,00
• Lee Valley Dam Contribution (2009-2012)	\$250,000
Tapawera pipeline renewals	\$164,562
District meter renewals	\$512,610

* Note that a final decision on whether the Motueka water supply and reticulation project proceeds is dependent on the receipt of a satisfactory Government subsidy for the project.

Cost of Service Statement (including an allowance for inflation)

Water Supply	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
General Rates	101,650	101,650	101,650
Targeted Rate	5,984,031	7,941,004	6,453,807
Development Contributions	805,949	807,028	807,028
Fees & Recoveries	561,801	463,640	770,223
Sundry Income	129,645	163,330	138,398
TOTAL INCOME	7,583,076	9,476,652	8,271,106
OPERATING COSTS			
Urban Water	3,684,746	4,041,296	3,965,066
Takaka	33,708	22,010	24,164
Motueka	175,429	-	195,984
88 Valley	56,197	60,141	61,917
Dovedale	147,193	157,960	163,289
Redwood Valley	125,472	135,060	147,270
Hamama	7,028	7,573	7,573
Pohara	32,290	34,757	36,864
Loan Interest	1,159,205	1,843,611	1,460,608
Depreciation	2,712,675	2,829,941	3,388,373
TOTAL OPERATING COST	8,133,943	9,132,349	9,451,108
NET COST OF SERVICE (SURPLUS)	550,867	(344,303)	1,180,002
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	550,867	(344,303)	1,180,002
Capital	6,630,314	9,433,838	4,216,790
Transfer to Reserves	332,143	1,017,494	692,053
Loan Principal	1,108,724	1,580,878	1,340,851
	8,622,048	11,687,907	7,429,696
SOURCE OF FUNDS			
Restricted Reserves Applied	-	233,049	133,454
Loans Raised	5,909,373	8,624,917	3,907,869
	5,909,373	8,857,966	4,041,323
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	2,712,675	2,829,941	3,388,373
	2,712,675	2,829,941	3,388,373
	8,622,048	11,687,907	7,429,696

Engineering (cont.)

v. Wastewater

What we do

This activity encompasses the provision of wastewater treatment facilities and sewerage collection systems to the residents of 14 Wastewater Urban Drainage Areas (UDA's) within the Tasman District. The assets used to provide this service include approximately 323km of pipelines, 2,250 manholes, 75 sewage pump stations, seven wastewater treatment plants and the relevant resource consents to operate these assets.

Tasman District Council owns, operates and maintains 12 sewerage systems conveying wastewater to eight wastewater treatment and disposal plants (WWTPs).

Why we do it

The provision of wastewater management services is considered to be a core public health function of local government and is something that the Council has always provided. The service provides many public benefits and it is considered necessary and beneficial to the community that the Council undertakes the planning, implementation, and maintenance of wastewater services in the District.

Territorial authorities have numerous responsibilities relating to wastewater. One such responsibility is the duty under the Health Act 1956 to improve, promote, and protect public health within the District. This implies that, in the case of the provision of wastewater services, councils have the obligation to identify where such a service is required, and to either provide it directly themselves, or to maintain an overview of the supply if it is provided by others.

Engineering (cont.)

Contribution to Community Outcomes

Council operates, maintains and improves the infrastructure assets relating to wastewater on behalf of the ratepayers. It strives to meet the level of service that is required to enhance community development and improve the environment relating to Tasman District.

The wastewater activities contribute to the community outcomes as detailed below.

Community Outcomes	How Our Activities Contributes to the Community Outcomes
Our unique and special natural environment is bountiful, healthy, clean and protected.	All wastewater in the Council-owned schemes is treated and discharged into the environment. This activity can be managed so the impact of the discharges does not adversely affect the health and cleanliness of the receiving environment.
Our built urban and rural environments are functional, pleasant, safe and sustainably managed.	The wastewater activity ensures our built urban environments are functional, pleasant and safe by ensuring wastewater is collected and treated without causing a hazard to public health, unpleasant odours and unattractive visual impacts.
Our transport and essential services are sufficient, efficient and sustainably managed.	The wastewater activity is considered an essential service that should be provided to all properties within the urban drainage areas in sufficient size and capacity. This service should also be efficient and sustainably managed.

Our goal

We aim to provide cost-effective and sustainable wastewater systems in a manner that meets environmental standards and agreed levels of service.

Changes from the Ten Year Plan

There are four changes from Year 3 of the Ten Year Plan proposed for the Wastewater activity over the coming year.

- Council is deferring the replacement of wastewater mains from Courtney Street to Hau Road, Motueka. The reason for the deferral is that recent closed circuit TV inspection of the sewer showed its condition is acceptable for the near future. Council is also re-assessing the options for upgrading the wastewater main in the future. The estimated cost of the project was \$355,000. The timing of the project will be reconsidered through the review of the Long Term Plan in early 2012.
- Council is deferring the upgrade of wastewater mains in Williams Street, Richmond. The reason for the deferral is that recent closed circuit TV inspection of the sewer showed its condition is acceptable for the near future. The estimated cost of the project was \$148,500. The timing of the project will be reconsidered through the review of the Long Term Plan in early 2012.
- Council had planned to upgrade the Takaka Wastewater Treatment Plant in 2010/2011. This project has been delayed and Council is now proposing to undertake the work in 2012/2013, at an estimated cost of \$4 million. This deferral will enable Council to undertake further public consultation on the project.

- Council has decreased the capital works budget for the Motueka wastewater treatment plant project in 2011/2012 from \$720,000 to \$500,000, as all the funding is unlikely to be needed during the year.
- The Draft Annual Plan contained a budget for Council's contribution to the operational costs of the Nelson Regional Sewerage Business Unit (NRSBU) of \$2.8 million. Council has since been advised by the NRSBU that it requires \$2.48 million, which will lead to a reduction in the pan charge from what was included in the Draft Annual Plan for 2011/2012.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2019

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Future Performance by Year 10
1. Our wastewater systems do not adversely pollute or degrade the receiving environment.	All wastewater treatment plants hold all necessary resource consents.	Actual = 100% All WWTPs hold all necessary consents .	100%	100%
	All wastewater treatment plants meet the minimum compliance levels in the resource consents.	Actual = 91% Collingwood 95% Motueka 92% Murchison 100% St. Arnaud 96% Takaka 75% Tapawera 97% Upper Takaka 86% Takaka WWTP compliance levels are expected to increase significantly once the upgrade is complete. This measure covers those consent conditions requiring laboratory testing only	Year 1 = 75% Year 2 = 80% Year 3 = 90%	90%
	We can limit the number of overflows that cause beach closures or shellfish gathering bans to less than five per year.	Actual = 1 This was in Collingwood due to the leak from the break in pipework at the Collingwood WWTP into Burton Ale Creek.	<5	<5

Engineering (cont.)

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Future Performance by Year 10
2. Our wastewater systems reliably take our wastewater with a minimum of odours, overflows or disturbance to the public.	We can limit the number of overflows on private property due to Council system fault to less than five per year.	Actual = 9 All overflows on private property are recorded, but only those resulting from Council system fault are reported here.	<5	<5
	We can limit the number of overflows from the sewer in a year to less than one per kilometre of sewer.	Actual = 0.108 / km A total of 37 overflows have occurred over the year. With a total network of 344km, this equates to 0.108 overflows per km of sewer.	<1	<1
	We can limit the number of overflows from pump stations per year to less than 10.	Actual = 3 These occurred at Kaiteriteri-Riwaka, Murchison, and Takaka/Pohara pump stations.	<10	<10
	We receive less than 30 complaints per year relating to odour or noise from our wastewater systems.	Actual = 47 These were mostly around Christmas 2009 at Pohara.	<30	<30
3. Our wastewater systems serve those who should be serviced.	95% of properties within the Urban Drainage Areas are able to be connected to the Council's reticulation system at their boundary if they so choose.	Actual = 97.3% of properties within the UDAs are either connected or have been exempt from having to connect.	100%	100%
	Our Water and Sanitary Services Assessment (WSSA) identifies communities that we don't serve but that may benefit from having a Council-owned community scheme, and plans are in place in the AMP to consult with these communities.	Actual = The initial WSSA was produced in 2005. It identified Marahau/Sandy Bay, Tasman/Kina and Pakawau as Priority 1 communities for benefiting from a Council owned community service. The WSSA was originally scheduled to be updated in this financial year, but has been deferred in light of the July 2009 amendment to the Local Government Act 2002 (LGA). The next revision of the Activity Management Plans (AMP) will review the timing and scope of the next WSSA update.	100%	100%
4. Our wastewater activities are managed at a level that satisfies the community.	Our surveys show that 80% of customers are satisfied with the wastewater service they receive.	Actual = 93% The Communitrak survey undertaken shows that 93% of receivers of the service were found to be satisfied with the service they receive. (2009: 95%).	≥ 80%	≥ 80%

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Future Performance by Year 10
5. Our systems are built so that failures can be prevented. If they do occur, they can be responded to quickly.	We are able to respond to and fix faults within the timeframes we have specified with our operations and maintenance contracts.	Actual = 99.5% The operations and maintenance contractor is required to meet a target of 90% of faults to be responded to and fixed within specified timeframes. The figure reported here relates to completion within the final completion time frame. Detailed responses are monitored through Council's Utilities Maintenance Contract Number 688.	90%	90%
	We have a facility for receiving and handling emergency calls after office hours.	Actual = In place Council has an after-hours call centre that receives calls out of regular office hours. Contractors and system duty managers have duty staff who are contactable to respond to emergencies.	Continue to do the same	Continue to do the same
	We have operative risk management process in place and planned mitigation measures completed.	Actual = Framework in development. TDC has adopted an Integrated Risk Management approach to its asset management and organisational decision making.	In place and operating	In place and operating
	All pump stations have standby pumps in case of mechanical failure.	Actual = 100% All pump stations have stand-by pumps .	100%	100%
	Our pump stations have storage or standby electrical generation in case of power failure.	Actual = 16% of pump stations have either storage or on-site standby electrical generation. However, there are two portable generators available which are able to serve up to 53% of pump stations.	Year 1=25% Year 2=25% Year 3=30%	50%
	Our pump stations have telemetry to allow automatic communication of failures.	Actual = 59% 44 of the 75 pump stations have telemetry .	55%	75%

Engineering (cont.)

Major activities

Ongoing management, maintenance and renewal of Council's wastewater network, comprising wastewater treatment facilities and sewerage collection systems made up of pipelines, manholes and sewage pump stations.

The following table details the significant capital and renewal work programmed for the 2011/2012 year.

Activity	Annual Plan Budget 2011/2012
Treatment Plant Upgrades: <ul style="list-style-type: none">• Motueka (2010-2014)	\$500,000
Continue to progress pipeline replacements across all schemes where pipes are failing.	\$1,477,767
Replacement of significant Motueka mains: <ul style="list-style-type: none">• High Street (2010-2012)	\$422,792
Kaiteriteri: <ul style="list-style-type: none">• Upgrade Breaker Bay pump station• Honeymoon Bay pump station electrics	\$80,187 \$96,642

Cost of Service Statement (including an allowance for inflation)

Wastewater	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
Targeted Rate	8,410,768	9,808,272	8,593,832
Development Contributions	691,129	707,130	707,130
Fees & Recoveries	170,433	602,974	602,974
Sundry Income	348,654	439,243	372,193
TOTAL INCOME	9,620,984	11,557,619	10,276,129
OPERATING COSTS			
Maintenance	5,639,109	6,368,843	6,224,952
Loan Interest	1,759,401	2,432,023	1,753,887
Depreciation	1,996,044	2,074,442	2,437,837
TOTAL OPERATING COST	9,394,554	10,875,308	10,416,676
NET COST OF SERVICE (SURPLUS)	(226,430)	(682,311)	140,547
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	(226,430)	(682,311)	140,547
Capital	6,931,359	3,444,874	2,720,665
Loan Principal	1,640,311	2,648,288	2,211,594
	8,345,240	5,410,851	5,072,806
SOURCE OF FUNDS			
Restricted Reserves Applied	114,292	35,472	5,766
Loans Raised	6,234,904	3,300,937	2,629,203
	6,349,196	3,336,409	2,634,969
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	1,996,044	2,074,442	2,437,837
	1,996,044	2,074,442	2,437,837
	8,345,240	5,410,851	5,072,806



St Arnaud wastewater treatment plant

Engineering (cont.)

vi. Stormwater

What we do

This activity encompasses the provision of stormwater collection, reticulation, and discharge systems in Tasman District. The assets used to provide this service include drainage channels, piped reticulation networks, tide gates, detention or ponding areas, inlet structures and discharge structures.

The stormwater sumps and road culvert assets are generally owned and managed by Council's Transportation Group or by the New Zealand Transport Agency, depending upon whether they are located on local roads or state highways.

Council manages its stormwater activities under 16 Urban Drainage Areas (UDA) and one General District Area. The General District Area covers the entire District outside the UDA. Typically these systems include small communities with stormwater systems that primarily collect and convey road run-off to suitable discharge points. It does not include land drains or river/stream systems. These are either the responsibility of Council under the Rivers Activity Management area or the responsibility of the landowners under the Tasman Resource Management Plan (TRMP).

Why we do it

The Council has no statutory obligation to provide for private stormwater runoff, just as it has no obligation to provide protection against wind or other natural events. This is clear in the Local Government Act (LGA) 2002 where it states that councils do not have to take responsibility for stormwater systems which service only private properties.

However, Council does have a duty of care to ensure that any runoff from its own properties is remedied or mitigated. Because most of its property is mainly in the form of impermeable roads in developed areas, this generally means that some level of reticulation system is constructed. The presence of this system then becomes the logical network for private stormwater disposal.

The provision of stormwater drainage to urban areas is something that the Council has always provided. The service provides many public benefits and it is considered necessary and beneficial to the community that the Council undertakes the planning, implementation and maintenance of the stormwater services within the urban areas.

Engineering (cont.)

Contribution to Community Outcomes

Council operates, maintains and improves the infrastructure assets relating to stormwater on behalf of the ratepayers. It undertakes to meet the level of service they require to enhance community development and improve the environmental and recreational assets relating to Tasman District.

The stormwater activities contribute to the community outcomes as detailed below:

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique and special natural environment is bountiful, healthy, clean and protected.	Stormwater arising within urban development areas is controlled, collected, conveyed and discharged safely to the receiving environment. This activity can be managed so the impact of the discharges does not adversely affect the health and cleanliness of the receiving environment.
Our built urban and rural environments are functional, pleasant, safe and sustainably managed.	Our stormwater activity ensures our built urban and rural environments are functional, pleasant and safe by ensuring stormwater is conveyed without putting the public at risk or damaging property, businesses or essential infrastructure.
Our transport and essential services are sufficient, efficient and sustainably managed.	The stormwater activity is considered an essential service that should be provided to all properties within urban drainage areas in sufficient size and capacity. This service should also be efficient and sustainably managed.

Our goal

We aim to achieve an acceptable level of flood protection in each UDA and the remaining General District stormwater areas.

Changes from the Ten Year Plan

There are five changes from Year 3 of the Ten Year Plan proposed for the Stormwater activity over the coming year.

- Council is deferring the upgrade of the Pohara township stormwater system. The estimated cost of the project was \$245,000. Council has completed the first stage of the project and is re-assessing whether the second stage is needed. The timing of any further work will be reconsidered through the review of the Long Term Plan in early 2012.
- Council is deferring the upgrade of the Poutama Drain, Richmond. The estimated cost of the project was \$191,500. The timing of the project will be reconsidered through the review of the Long Term Plan in early 2012. The reason for the deferral is that Council needs to resolve land acquisition issues.
- Council will undertake a new project to upgrade stormwater infrastructure in Swiftsure Street/Gibbs Road, Collingwood. The reason for this project is that Council is concerned that stormwater is causing a nuisance to properties in the area. The project has an estimated cost of \$220,000.
- Council is reducing the budget for the Patons Rock stormwater improvements from \$515,382 to \$250,000, as it is unlikely that the full budget will be required for the work during 2011/2012.
- Council is reducing the budget for the land drainage and culvert upgrade in Tasman from \$250,000 to \$150,000 in 2011/2012, as staff still have to resolve resource consent and land purchase matters associated with the project, therefore, the full project budget is unlikely to be spent.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2019

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Future Performance by Year 10
1. Our stormwater systems do not adversely pollute or degrade but sustain and nurture the receiving environment.	We have stormwater quality catchment management plans (SQMPs) for each urban drainage area which identify environmental values and set sustainable improvement targets to improve environmental values and amenity value to the community.	Actual = Work will start on the SQMP for Richmond in 2010/11.	Complete SQMPs for Richmond, Motueka and Mapua.	Complete SQMPs for all UDA's.
	We have discharge consents in place for each major urban stormwater discharge (controlling stormwater quality).	Actual = Provision is made in the Activity Management Plan (AMP) to comply with the discharge consents by end of year 3.	Discharge consents in place for Richmond UDA.	Discharge consents in place for all UDA's.
	We control the discharge of pollutants from our stormwater systems to sustainable levels so there is minimal adverse impact on the quality of our natural freshwater and marine habitats.	Actual = This performance measure cannot be implemented at this stage. Provision is made in the AMP to develop an action plan by the end of Year 3. This plan will identify where to target expenditure.	Improvement action plan to be determined.	Improvement action plan to be determined.
	We apply a sustainable design approach to all stormwater system upgrades. The primary aim in the design of open channels will be to nurture and provide environmental values in keeping with the surrounding environment and in providing and enhancing amenity value to the community.	Actual = Stormwater upgrades have been carried out in accordance with the TDC Engineering Standards at Jeffries Creek. Key elements of the project included the engagement of a fish expert. The design was tailored to include fish pools, planting and a low flow channel to mimic nature. Eels were also relocated during construction.	Continued compliance	Continued compliance

Engineering (cont.)

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Future Performance by Year 10
2. Our stormwater systems collect and convey stormwater safely through urban environments, reducing the adverse effects of flooding on people and property.	Stormwater drainage facilities are provided to service all Urban Drainage Areas.	Actual = All 15 urban drainage areas have stormwater facilities .	All UDA's continue to have stormwater facilities	All UDA's continue to have stormwater facilities
	Inlets, outlets, floodgates, detention dams and watercourses are kept open at all times through a proactive maintenance programme.	Actual = The maintenance contractor undertakes a schedule of routine maintenance on stormwater assets.	Continued Compliance	Continued Compliance
	Work that is considered a priority to clear obstructions reported within the stormwater system is attended to within one working day of receiving notice, 90% of the time.	Actual = 100% The operations and maintenance contractor is required to meet a target of 90% of faults to be responded to and fixed within specified timeframes. This is monitored through Council's Utilities Maintenance Contract Number 688.	Continued Compliance	Continued Compliance
	New primary stormwater systems (comprising a combination of open channels and/or pipes) are capable of containing a 1-in-20 year storm event.	Actual = All new primary stormwater systems are designed to TDC Engineering Standards which are aligned with this performance measure. Primary stormwater systems constructed this year include new pipework at Salisbury Road; Seaton Valley, comprising a culvert under the Mapua causeway.	Compliance with required Levels of Service	Compliance with required levels of Service
	New secondary stormwater systems are provided to accommodate stormwater flows from a 1-in-50 year storm event so that there is no damage to or nuisance effects on people or property.	Actual = All new secondary stormwater systems are designed to TDC Engineering Standards which are aligned with this performance measure. No new secondary stormwater systems have been constructed this year.	Compliance with required Levels of Service	Compliance with required Levels of Service
	New open channels for major streams are capable of accommodating stormwater flows from a 1-in-100 year storm event so that there is no damage to or nuisance effects on people or property.	Actual = All new open channel systems are designed to TDC Engineering Standards which are aligned with this performance measure. One open channel project was completed this year at Jeffries Creek .	Compliance with required Levels of Service	Compliance with required Levels of Service

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Future Performance by Year 10
2. Our stormwater systems collect and convey stormwater safely through urban environments, reducing the adverse effects of flooding on people and property. (cont.)	Existing stormwater systems are capable of containing a 1-in-5 year storm event.	See: Stormwater, Fig.1	Strategic upgrade work is programmed over the next 20 years, which will reduce the areas currently served with a 1-in-5 year level of service	Strategic upgrade work is programmed over the next 20 years, which will reduce the areas currently served with a 1-in-5 year level of service
3. Our stormwater activities are managed at a level which satisfies the community.	Our surveys show that at least 80% of customers are satisfied with the stormwater service they receive.	Actual = 83% The Communitrak survey undertaken shows that 83% of receivers of the service were found to be satisfied with the service they receive. (2009: 85%).	85% satisfaction	85% satisfaction
	We receive less than 10 complaints per year regarding health nuisance (noise, smells, mosquitoes, etc).	Actual = 0 Recording and reporting of this performance measure has been developed and implemented. No complaints were received regarding health nuisance resulting from the stormwater activity.	< 10 complaints (Year 3 only)	< 10 complaints
4. We have measures in place to prevent flood damage to property and risk to the community.	We have a customer service facility for receiving and handling emergency calls 24 hours per day, 7 days per week.	Actual = In place Council has an after-hours call centre that receives calls out of regular office hours. Contractors and system duty managers have duty staff who are contactable to respond to emergencies.	Maintain current operation	Maintain current operation
	Council's contractor guarantees emergency response times to attend a site in the event of an immediate flooding risk to property, including the deployment of sandbags where required.	Actual = Current service maintained.	Maintain current service	Maintain current service
	A response to repair/reinstate open watercourses from flood damage is completed within 24 hours 90% of the time	Actual = this performance measure is not yet being measured.	Response within 24 hours 85% of the time (Year 3 only)	Response within 24 hours 90% of the time

Engineering (cont.)

Stormwater, Fig.1			
Typical level of service within each stormwater UDA showing percentage of systems capable of coping with specified flood events			
UDA	1 in 2 Yr Storm	1 in 5 Yr Storm	1 in 10 Yr Storm
Richmond	20%	50%	30%
Brightwater	30%	50%	20%
Wakefield	40%	40%	20%
Murchison	60%	20%	20%
St Arnaud	20%	60%	20%
Tapawera	10%	40%	50%
Motueka	20%	60%	20%
Mapua/ Ruby Bay	10%	40%	50%
Tasman	40%	40%	20%
Kaiteriteri	20%	60%	20%
Takaka	30%	60%	10%
Pohara	60%	30%	10%
Ligar Bay/ Tata Beach	30%	60%	10%
Collingwood	30%	40%	30%
Patons Rock	70%	20%	10%

Upgrade work is programmed over the AMP period to reduce the areas currently served with a less than 1 in 5 year level of service.

Major activities

Ongoing management, maintenance and renewal of Council's stormwater network, encompassing the provision of stormwater collection, reticulation and discharge systems. The assets used to provide this service include drainage channels, pipelines, tide gates, detention ponds, inlet structures and discharge structures.

The following table details the projects of significant expenditure for capital and renewal works programmed for the 2011/2012 year.

Activity	Annual Plan Budget 2011/2012
Little Kaiteriteri (2010-2012)	\$275,043
Poole Street/ High Street, Motueka (2010-2012)	\$508,637
Main Road, Patons Rock (2010-2012)	\$250,000
Land Drainage Improvements/ Culvert Upgrade, Tasman (2010-2012)	\$150,000
Swiftsure Street and Gibbs Road, Collingwood	\$220,000



Abel Tasman

Engineering (cont.)

Cost of Service Statement (including an allowance for inflation)

Stormwater	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
Targeted Rate	2,345,865	2,861,679	2,547,610
Development Contributions	333,877	341,187	341,187
Fees & Recoveries	5,418	5,566	5,566
Sundry Income	119,395	150,418	127,456
TOTAL INCOME	2,804,555	3,358,850	3,021,819
OPERATING COSTS			
Richmond	739,336	754,404	766,723
Motueka	143,298	224,144	231,269
Mapua/Ruby Bay	59,441	62,758	68,257
Brightwater	37,409	39,940	40,170
Wakefield	36,929	39,443	39,673
Takaka	37,080	39,607	39,902
Murchison	16,794	17,595	17,190
General District	210,765	241,346	238,616
Loan Interest	671,520	811,257	752,569
Depreciation	908,954	945,390	1,396,535
TOTAL OPERATING COST	2,861,526	3,175,884	3,590,904
NET COST OF SERVICE (SURPLUS)	56,971	(182,966)	569,085
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	56,971	(182,966)	569,085
Capital	2,026,063	2,187,490	1,604,447
Loan Principal	715,401	855,627	793,200
Transfer to Reserves	122,280	157,878	229,987
	2,920,715	3,018,029	3,196,719
SOURCE OF FUNDS			
Restricted Reserves Applied	197,295	68,458	306,937
Loans Raised	1,814,466	2,004,181	1,493,247
	2,011,761	2,072,639	1,800,184
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	908,954	945,390	1,396,535
	908,954	945,390	1,396,535
	2,920,715	3,018,029	3,196,719

vii. Solid Waste

What we do

The Solid Waste activity encompasses the provision and control of waste management services to residents in the Tasman District by providing:

- Education and promotion of waste minimisation.
- Kerbside recycling and solid waste collection services.
- Drop-off facilities for solid waste, greenwaste, reusable and recyclable materials.
- Bulk transport services for solid waste and greenwaste.
- Greenwaste and recyclable processing.
- Management of operational and closed landfills.

There are five Resource Recovery Centres (RRC), one operational landfill and 22 closed landfills located throughout the District.

Why we do it

The Local Government Act (LGA) 2002 requires Council to promote effective and efficient waste management within Tasman District. The LGA 2002 also gives the Council the legal authority to be involved in the provision of solid waste services.

The Waste Minimisation Act 2008 has picked up some of the provisions of the LGA 1974 and 2002 relating to waste management and has increased the requirement for consideration of waste minimisation in Council's planning. The Act aims to protect the environment from harm by encouraging the efficient use of materials and a reduction in waste - with consequential environmental, social, cultural and economic benefits.

Under this legislation Council is required to carry out a waste assessment and to prepare a Waste Management and Minimisation Plan (WMMP) by 2012. This WMMP will supersede the existing Waste Management Plan.



Cans collected for recycling.



Car crusher at work.



Plastic collected for recycling.

Engineering (cont.)

Contribution to Community Outcomes

Council operates, maintains and improves infrastructure assets relating to solid waste activities on behalf of ratepayers. Council strives to meet levels of service which will enhance community development and improve the environment of Tasman District.

The solid waste activities contribute to the community outcomes as detailed below.

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique and special natural environment is bountiful, healthy, clean and protected.	All material that is collected by the Council's operators or delivered to Council-owned facilities is processed or disposed of in an appropriate and sustainable manner. These activities will be managed to minimise the impact on the receiving environment.
Our built urban and rural environments are functional, pleasant, safe and sustainably managed.	Our kerbside collections ensure our built urban and rural environments are functional, pleasant and safe by receiving materials from the community and recycling, reusing or disposing of them with a minimum of nuisance and public complaint.
Our transport and essential services are sufficient, efficient and sustainably managed.	Solid waste activities are operated in a safe and efficient manner to provide waste and recycling services that the community is satisfied with and which promote the sustainable use of resources.

Our goal

Council's long-term goal for solid waste management is to achieve zero waste to landfill or other disposal.

Changes from the Ten Year Plan

There are some changes from Year 3 of the Ten Year Plan proposed for the Solid Waste activity over the coming year. The changes are largely due to Council receiving less income for waste due to a reduction in waste volumes associated with the downturn in the economy. Council has reduced the costs incurred in the waste activity to reduce the need to increase general rates to fill some of the shortfall in funding. Proposed capital projects that have been deferred included new public place recycling bins (\$250,000) and capital works relating to disposal of green waste (\$1 million). Council is planning a new project for a leachate pump station at a cost of \$50,000. Operating costs that Council is proposing to reduce include new recycling initiatives and reducing waste education. To fund the remainder of the shortfall Council is introducing

a tiered system for commercially collected waste, and an increase in the refuse/recycling targeted rate (refer to the Schedule of Charges and the Funding Impact Statement for details).

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2019

Levels of Service (We provide)	We will know we are meeting the Level Of Service if...	Current Performance	Forecast Performance Years 1 - 3	Future Performance by Year 10
1. Our solid waste activities use best sustainable practices.	All sites have all required resource consents.	Actual = 100%	100%	100%
	All solid waste activities comply with any required resource consent conditions and site management plans.	Actual = Average 94% Eves Valley Landfill: 96% Murchison RRC: 79% Richmond RRC: 84% Collingwood RRC: 94% Takaka RRC: 97% Mariri RRC: 93% Rototai: 100% Closed Landfills: 100%	100%	100%
	We sustainably recover waste products and increase the amount of these products recovered over time.	Actual = Waste recovery figures have generally declined in 2009/2010 from last year's results. Most figures however continue to show an increasing trend since 2005.	Increasing trend in materials sustainably recovered.	Increasing trend in materials sustainably recovered.
2. Our kerbside services are pleasant, reliable, easy to use and collection areas are kept free of litter.	We survey the community annually and see an ongoing improvement in satisfaction levels in our kerbside service.	Actual = 84% The Communitrak survey undertaken shows that 84% of receivers of the kerbside recycling service were found to be satisfied with the service they receive. (2009: 85%). The Communitrak survey undertaken also shows that 85% of receivers of the regular rubbish collection service were found to be satisfied with the service they receive. (2009: 82%).	≥ 70% of customers are satisfied with the services they receive	≥ 75% of customers are satisfied with the services they receive
	We receive less than 30 instructions to resolve a complaint per year relating to recycling collection, refuse bag collection or other solid waste issues.	Actual = 321 The method of reporting instructions was altered during April to put similar enquiries, related to a single site or incident, into single instructions. A large proportion of the 321 incidents recorded relates to individual recycle bin collections being missed and each being recorded as an incident.	≤ 30	≤ 30
	We are able to respond to 95% of instructions to resolve a complaint within the timeframes we have specified within our operations and maintenance contracts.	Actual = 86% The method of documenting and responding to service requests has been altered over the past six months. While contractor performance was poor over the Christmas/Summer period, improvements to the service request system has resulted in improved response times by the contractor.	95%	95%
3. Our operations are managed in a safe manner.	We have no serious harm incidents caused as a result of Council's actions.	Actual = No serious harm incidents	No serious harm incidents	No serious harm incidents

Engineering (cont.)

Levels of Service (We provide)	We will know we are meeting the Level Of Service if...	Current Performance	Forecast Performance Years 1 - 3	Future Performance by Year 10
4. We provide and promote waste minimisation activities and progress within the community.	We provide schools with access to an annual visit from a Waste Education officer and access to up-to-date resources.	Actual = 100% All schools have been contacted to offer Waste Education Services (WES) for 2010. Of the 25 schools WES are contracted to contact, 30 schools have received visits so far this year (60 visits). 12 early childhood education have also been visited.	100% of schools are contacted annually	100% of schools are contacted annually
	We report waste minimisation and recycling progress to the community on a quarterly basis through feature articles and community notices.	Actual = Seven articles have been published in the Nelson Mail, Newsline or Ecobuzz.	≥ 4 times a year	≥ 4 times a year
	We provide waste minimisation services to the business community.	Actual = 100% 28 businesses have been visited in person or by phone/email and 67 have been contacted multiple times on region-wide information mail outs.	100% of queries from businesses are actioned.	100% of queries from businesses are actioned.
5. Our sites are pleasant, consistent, reliable and operated in a sustainable manner.	90% of site inspections score greater than or equal to "Acceptable".	Actual = 72%	95%	95%
	We survey customers at RRC sites on an annual basis and see an ongoing improvement in satisfaction levels.	Actual = Surveys have been undertaken at the RRCs annually since 2008. The results from the two surveys to date show an increase in the level of satisfaction of users of the RRCs.	Ongoing improvement in satisfaction levels at each RRC	Ongoing improvement in satisfaction levels at each RRC

Major activities

Ongoing management, maintenance and renewal of Council's solid waste services, including waste minimisation education, kerbside recycling and solid waste collection services, transfer stations, greenwaste and recyclable processing and management of operational and closed landfills.

Ongoing work with Nelson City Council on a combined Waste Management and Minimisation Plan, to be completed during the 2011/2012 year.

The following table details the significant capital and renewal work programmed for 2011/2012 year.

Activity	Annual Plan Budget 2011/2012
Resource Recovery Centres (2009 ongoing)	
• Richmond	\$647,716
• Mariri	\$284,264
• Takaka	\$66,154
• Collingwood	\$53,823
• Murchison	\$68,069
Eves Valley Landfill (2009 ongoing)	\$311,728
Closed Landfills	\$100,000

Engineering (cont.)

Cost of Service Statement (including an allowance for inflation)

Solid Waste	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
General Rates	241,829	298,180	208,152
Targeted Rate	1,832,001	1,813,966	1,989,748
Fees & Recoveries	4,359,455	5,635,963	4,394,527
Sundry Income	192,133	242,053	205,104
TOTAL INCOME	6,625,418	7,990,162	6,797,531
OPERATING COSTS			
Kerbside Collection	1,832,914	2,215,775	1,913,495
Waste Minimisation	139,283	252,835	152,164
Landfills	948,693	1,039,919	899,648
Resource Recovery Parks	2,836,268	3,246,983	2,820,251
Loan Interest	348,151	481,526	403,762
Depreciation	228,322	357,682	331,843
TOTAL OPERATING COST	6,333,631	7,594,720	6,521,163
NET COST OF SERVICE (SURPLUS)	(291,787)	(395,442)	(276,368)
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	(291,787)	(395,442)	(276,368)
Capital	1,926,007	2,860,114	1,636,608
Transfer to Reserves	-	-	4,329
Loan Principal	488,105	707,447	559,999
	2,122,325	3,172,119	1,924,568
SOURCE OF FUNDS			
Restricted Reserves Applied	10,601	58,546	-
Loans Raised	1,883,402	2,755,891	1,592,725
	1,894,003	2,814,437	1,592,725
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	228,322	357,682	331,843
	228,322	357,682	331,843
	2,122,325	3,172,119	1,924,568

viii. Rivers

What we do

Tasman District Council maintains 285 kilometres of the region's rivers in order to carry out its statutory roles to promote soil conservation and mitigate damage caused by floods. These rivers are "classified" and funded by a differential river rating system. The rivers are on private, Council and Crown (Department of Conservation, Land Information New Zealand) lands. The associated river protection works such as stopbanks, rock and willows are owned, maintained and improved by Council.

Council involvement in rivers outside the classification scheme is limited to carrying out river and soil conservation works, which have some defined community benefit. These are not Council-owned assets as the landowner takes over ongoing responsibility to maintain the asset. However these works are an integral part of the river control system.

Why we do it

The provision of river management services is considered to be a core function of local government. Prior to 1992 rivers were managed by the Nelson Catchment Board followed by the Nelson-Marlborough Regional Council. In 1992 the functions of a catchment board under the Soil Conservation and Rivers Control Act 1941 were transferred to Tasman District Council.

The service provides many public benefits such as a level of flood protection to dwellings in the flood plain for selected rivers, river management and river maintenance. It is considered necessary and beneficial to the community that the Council undertakes the planning, implementation, and maintenance of these river services in the District in accordance with their respective legislative requirements and responsibilities.

Engineering (cont.)

Contribution to Community Outcomes

Council operates, maintains and improves the infrastructure assets relating to rivers on behalf of the ratepayers. It strives to meet the level of service required to enhance community development and improve the environmental and recreational assets in the Tasman District.

The rivers activities contribute to the Community Outcomes as detailed below:

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique and special natural environment is bountiful, healthy, clean and protected.	Our river protection and flood mitigation activities are carried out so that the impacts on the natural river environments are minimised to a practical but sustainable level, and use best practices in the use of the District's natural resources.
Our built urban and rural environments are functional, pleasant, safe and sustainably managed.	Our river protection works and flood control structures protect our most "at risk" communities and rural areas from flooding and are maintained in a safe and cost-effective manner.
Our transport and essential services are sufficient, efficient and sustainably managed.	Our river protection and flood mitigation structures are maintained in an environmentally sustainable manner to a level supported by the community.

Our goal

We aim to maintain river systems in a cost effective manner in such a way that the community and individual landowners are provided with protection and management systems to a level acceptable to that community, taking into account affordability.

Changes from the Ten Year Plan

On 28th December 2010 the Tasman District experienced extremely heavy rainfall which led to significant flooding and damage to council infrastructure and private property. This was particularly destructive in the Murchison, Wangapeka and Golden Bay areas. Council infrastructure, including roads, utility infrastructure and flood protection structures, incurred around \$6 million of damage. Some funding to repair or replace the infrastructure will come from central government and insurances, however, there is still a significant shortfall (approximately \$2 million) to be funded directly by Council and ratepayers.

Much of the Council funding will come from disaster funds which the Council has set aside funding for over a number of years for such major events. The 28th December event, combined with the Tapawera storm damage earlier in 2010, has depleted the Council's General Disaster Fund.

Council needs to replenish the funds in case of further severe natural disasters in the coming years. In order to do so, Council has an additional general rate increase, above what would usually be needed for its normal operations, of 1.98 percent per annum over the next two years to help replenish the General Disaster Fund and to fund a loan to replace the James Road Bridge. A small portion of the rate increase will continue for a 20 year period to cover the cost of servicing the loan for the bridge replacement. The money raised will go into a closed fund that can only be used for addressing damage received from natural disasters.

The Tapawera storm damage and the December flood event affecting Golden Bay, Wangapeka and the Murchison area have led to damage to rock work and river banks on several of the River Z classified rivers. Claims for assistance from landowners in these areas have far outstripped the funding Council has available for River Z classified rivers. The Council contribution may be up to a maximum of 50 percent of the cost of River Z protection works, with adjacent landowners funding the remainder.

In order to provide additional funding for river works in River Z classified rivers, Council has transferred \$100,000 that would generally be paid into the Council's Classified Rivers Protection Fund (subject to the fund balance being above \$1 million as at June 2011) into the River Z works budget. Council is also increasing the river rate, by 18.64 percent to generate around an additional \$200,000 to go towards the River Z budget. These changes will provide a total of around \$400,000 in the River Z budget, when added to the existing funding. The funding will be used for maintenance of River Z classified rivers and to assist landowners adjacent to River Z classified rivers with river projection works.

Engineering (cont.)

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2019

Levels of Service (We provide)	We will know we are meeting the Levels of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance by Year 10
1. Our river protection and flood mitigation activities are carried out so that the impacts on the natural river environments are minimised to a practical but sustainable level, and use best practices in the use of the District's natural resources.	All river maintenance and construction activities comply with any required resource consents.	Actual = 100% Resource consents held are: Global – for works in rivers and some gravel extraction; and vegetation spraying Contracts include the conditions of the consents and performance measures including requirements to meet the Resource Consents. The Council has not received any non-compliance with respect to the resource consents by Council's consultants nor the Environment & Planning Department.	100%	100%
	The 285km of X and Y classified rivers are cleared of Crack Willow (pest tree species) at a rate of 15km of river length per year.	Actual = 18.5 km The clearing of crack willow occurred in classified rivers all over the district. Only small sections of a river are being undertaken at a time as Council does not wish to remove large sections as there will then be no protection in the event of flooding. The crack willows are being replaced with Bitter Willow and native plants with vigorous root structures.	Year 1 = 15km Year 2 = 30km Year 3 = 45km (cumulative totals)	150km (cumulative total)
2. We provide flood protection to a level that the community is prepared to fund.	Council prepares and investigates new schemes in line with the community needs.	Actual = 100% New schemes are investigated and designed in line with community expectations, needs and desired level of service.	100%	100%
	The Riwaka River stopbanks are maintained to a 1-in-20 year flood return standard.	Actual = 30% Council completed an audit of the flood capacity and condition of the Riwaka flood banks in 2006. During the Ten Year Plan process, Council proposed upgrading the Riwaka flood protection system. This resulted from the 2006 audit, which identified some potential deficiencies in the existing stopbank system. The project is not starting until the end of the Ten Year period, at which stage Council will undertake further investigation on the existing system and consultation with the community on the scope and design of any proposal to upgrade the system. This target has not been remeasured and the appropriateness of the target will be assessed in the next Long Term Plan.	30%	60%

Levels of Service (We provide)	We will know we are meeting the Levels of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance by Year 10
2. We provide flood protection to a level that the community is prepared to fund. (cont.)	The Lower Motueka River stopbanks are maintained to a 1-in-100 year flood return standard.	Actual = 30% Council completed initial modelling for flood capacity and completed a walk over condition survey in 2006. During the Ten Year Plan process, Council proposed upgrading the Lower Motueka Valley flood protection system. This resulted from the 2006 audit, which identified some potential deficiencies in the existing stopbank system. Council decided, through the Ten Year Plan process, to consult further with the affected communities prior to making any final decisions on the proposed upgrade. During the last year Council has undertaken an extensive consultative process on the Motueka flood protection, along with detailed investigations and cost estimates. Council will be undertaking further consultation on the options for flood protection, to provide a proposal to take back to the community through the next review of the Ten Year Plan. This target has not been measured and the appropriateness of the target will be assessed in the next Ten Year Plan.	30%	65%
	The Waimea River stopbanks are maintained to a 1-in-50 year flood return standard.	Actual = 100% The stopbanks are recorded as being designed to a 1 in 50 year flood return standard. Council's maintenance activities are programmed to maintain the level of service at a 1-in-50 year flood return standard. To date, works associated with the banks has substantially been the placement and renewal of erosion protection.	100%	100%
3. We manage the river alignment to minimise bank erosion up to an annual event in the X and Y rating areas.	Rivers are maintained within the X and Y classification area to the annual allocated budget. Capital projects are carried out on time, within budget and to the appropriate standard.	Actual = 100% The capital expenditure budget was \$860,254 with an actual spend of \$650,705. All programmed rock work was completed in accordance with the Annual Operating Maintenance Programme and the specifications outlined in the contract documentation.	100%	100%
4. In River Z rating areas we provide technical support and funding assistance when available.	All River Z rating enquires will be responded to within 10 working days.	Actual = 100% There were 23 enquiries for subsidy assistance. All were responded to within the timeframe.	100%	100%

Engineering (cont.)

Levels of Service (We provide)	We will know we are meeting the Levels of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance by Year 10
5. Existing access to the rivers are maintained in a safe and efficient manner.	The public are able to access the Council's rivers systems unless for safety reasons they are restricted by the undertaking of the annual river maintenance works programme.	Actual = 100%	100%	100%
6. River works are planned with community input and professionally implemented.	An annual rivers maintenance programme as agreed with the communities is constructed to Council standards.	Actual = In place and operating	In place and operating	In place and operating
	River Care Groups, iwi, Fish and Game and DOC are consulted annually on the rivers annual maintenance programme.	Actual = Council regularly consults the River Care groups, Iwi, Fish & Game and DOC on its annual maintenance programmes.	Continue to do the same	Continue to do the same
7. Enquires relating to our river systems are responded to promptly.	We are able to respond to enquires within timeframes specified in our operations and maintenance contracts.	Actual = 100% There were 52 general enquiries. All were responded to within the timeframes.	100%	100%
	We receive less than 12 complaints per year relating to the maintenance of river works.	Actual = 11 This figure is the number of complaints regarding a stretch of maintained river. The majority of complaints are regarding non-scheduled maintenance items such as the illegal dumping of rubbish by members of the public.		
8. There are adequate measures in place to know when flooding may occur and to provide a limited response during a flood event.	We have a facility for receiving and handling emergency calls after office hours.	Actual = In place Council has an after-hours call centre that receives calls out of regular office hours. Contractors and system duty managers have duty staff who are contactable to respond to emergencies.	100%	100%
	We have a monitoring system in place to provide information of the key river flows.	Actual = Council has recently developed a new rainfall and riverflow data system. This is capable of supplying up to date information 24 hours a day through the internet .	100%	100%
	The Council's rivers maintenance contractor has adequate resources available in case of major flood damage. The rivers maintenance contractor is available to respond to emergencies.	Actual = 100% Council's river maintenance contractor is Ferguson Brothers Limited. The contract documentation requires the contractor to retain sufficient resources to be able to respond in emergencies on a 24 hour basis. The evidence is that the contractor has always responded to events, as required.	100%	100%

Major activities

Ongoing management, maintenance and renewal of Council's rivers and flood protection assets, including promoting soil conservation and mitigating damage caused by floods. The table below outlines the key capital works projects planned.

Activity	Annual Plan 2011/2012 Budget \$
Lower Motueka Stopbank (Investigation 2009-2012, construction from 2012/2013)	\$153,591

Engineering (cont.)

Cost of Service Statement (including an allowance for inflation)

Rivers	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
General Rates	3,578	5,272	5,272
Targeted Rate	2,308,644	2,725,291	2,784,451
Fees & Recoveries	226,048	232,242	209,013
Sundry Income	75,637	83,297	80,744
TOTAL INCOME	2,613,907	3,046,102	3,079,480
OPERATING COSTS			
General District	2,037,753	2,204,529	2,078,480
Loan Interest	25,310	38,769	31,724
Depreciation	30,122	29,649	33,034
TOTAL OPERATING COST	2,093,185	2,272,947	2,143,238
NET COST OF SERVICE (SURPLUS)	(520,722)	(773,155)	(936,242)
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	(520,722)	(773,155)	(936,242)
Capital	866,643	901,753	1,127,273
Loan Principal	9,372	13,955	12,512
Transfer to Reserves	108,092	115,687	8,487
	463,385	258,240	212,030
SOURCE OF FUNDS			
Restricted Reserves Applied	220,237	75,000	25,405
Loans Raised	213,026	153,591	153,591
	433,263	228,591	178,996
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	30,122	29,649	33,034
	30,122	29,649	33,034
	463,385	258,240	212,030



Aorere River in flood – December 2010

Community Services

The Community Services section is broken down into five groups of related activities:

- Libraries
- Cultural Services and Community Grants
- Community Recreation
- Community Facilities, Parks and Reserves, and Camping Grounds
- Community Housing

The 2011/2012 year budgets for the Community Services activities are outlined in the table below, along with the 2010/2011 budgets for comparison.

Community	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
Libraries	2,262,030	2,439,444	2,415,199
Cultural Services and Community Grants	580,908	611,920	620,876
Community Recreation	734,903	711,493	817,637
Parks and Reserves	7,516,173	7,376,474	7,261,785
Community Facilities	5,476,386	8,731,611	5,042,641
Camping Grounds	440,353	291,162	468,372
Community Housing	514,319	523,171	543,013
TOTAL COSTS	17,525,072	20,685,275	17,169,523

Details of each of these groups of activities are outlined in the following pages. These pages cover what the Council does in relation to each activity group, why we do it, the contribution of the activities to the Community Outcomes, the activity goal, any key changes from the Ten Year Plan relating to the activity, how we will measure our performance, the key things we will be doing in relation to the activity and funding of the activity.

i. Libraries

What we do

Tasman District Libraries provide quality services to the community, promoting lifelong learning and creative use of leisure. The libraries provide access to information and leisure as well as space for our communities to interact. Access to information is in a variety of formats including books, electronic databases and other media. An information service is available during all opening hours with qualified staff to help users to find the information they are seeking. Children's services include a variety of activities in all the libraries. Outreach services to the homebound as well as to preschools, and other organisations are provided by the libraries.

Service is to all residents of the District through libraries in Richmond, Motueka, Takaka and Murchison. Electronic resources are provided via the Council Libraries website and in the libraries. The Richmond Library is also the District library, providing services throughout the District.

Link libraries that provide limited book stock only operate in Wakefield, Tapawera, Mapua, Collingwood and Dovedale.

Why we do it

The Council is required by law and community expectations to promote the well-being of the community. Libraries develop an informed community whose members are literate and inspired.

Community Services (cont.)

Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our vibrant community is safe, well, enjoys an excellent quality of life and supports those with special needs.	Libraries provide safe space for our community to interact. Libraries provide resources which enrich quality of life for all.
Our community understands regional history, heritage and culture.	Libraries collect and preserve local heritage materials. Libraries are involved in regional history/heritage projects which will increase access to the local historical/cultural information and materials.
Our diverse community enjoys access to a range of spiritual, cultural, social, educational and recreational services.	Libraries provide access to a wide range of materials in a variety of formats to support the recreational, educational, cultural, social, and business needs of the community.
Our participatory community contributes to District decision-making and development.	Libraries are open to all in the community and freely provide unbiased access to all information; as such libraries are an integral part of a strong democracy at local and national levels.

Our goal

- We provide access to information and leisure through a variety of media.
- We create social capital by providing safe public space for the use of the community in a variety of ways.
- We connect users to the world at large through traditional (print) and newer information technologies.

Changes from the Ten Year Plan

There are no changes from the Ten Year Plan for the libraries activity over the coming year.



Richmond Library

Community Services (cont.)

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2019

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
Access to information and leisure sources that satisfy the needs of the community, delivered within the libraries and through outreach programming.	TDC collections compare favourably measured against the Library and Information Association of New Zealand Aotearoa (LIANZA) standard for library book stocks.	The book budget increased by \$28,160 in 2009/2010. At the end of June 2010 collection numbers are achieving 81% of the LIANZA standard.	The annual Council book budget increased \$20,694 in 2009/10 and will increase a further \$67,035 in 2010/11, and these figures will be inflation adjusted over future years. This will achieve 75% of the LIANZA standard for book stocks by 2012.	The Council book budget increase of \$87,729 will continue from 2011/12 to 2018/19. It will be inflation adjusted over the 10 years. This will achieve 85% of the LIANZA standard for book stocks by 2019.
	TDC runs modern software with sufficient capacity and functionality to enable public access to the collection.	TDC has signed a letter of intent to join the Kōtui consortium (formerly LSyncNZ). The consortium will supply its members with fully supported and updated library management software. The consortium's Request for Proposal was released in July 2010. TDC will be in the first group of libraries to transfer to the new library management software. The first library will transfer to the selected library software in April 2011.	TDC libraries will install new library management software in 2011/2012 with increased capacity and functionality to allow better access to the collections, and TDC will fund ongoing support for the new software.	Software will be upgraded as required.

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
Access to information and leisure sources that satisfy the needs of the community, delivered within the libraries and through outreach programming. <i>(cont.)</i>	Residents can participate in the digital world via well connected computers in the libraries, measured against the recommended number of computers in the LIANZA standard.	This is achieved through our ongoing membership of the Aotearoa Peoples Network Kaharoa (APNK). The libraries provide 20 public access internet computers, this achieves 100% of the LIANZA standard.	Ongoing 100% compliance with the recommendations in the LIANZA Standard.	Ongoing 100% compliance with the recommendations in the LIANZA Standard.
	Tasman District residents are fairly or very satisfied with the public libraries, as measured through the annual residents' survey.	The Communitrak survey undertaken shows that 84% of residents are satisfied with the District's public libraries. (2009: 84% satisfied), and that 94% of library users are satisfied with the libraries.	85% of Tasman residents are fairly or very satisfied with the public libraries by 2012.	87% of Tasman residents are fairly or very satisfied with the public libraries by 2019.
	A postal delivery service is implemented throughout the District on a cost recovery basis.	Our Library@yrdoor delivery service was launched in December 2009 with a leaflet drop in Golden Bay and Murchison. A leaflet drop is planned for the Wakefield area in July 2010. Full postage costs are recovered from users of the service. There were no registered users of the service at the end of June 2010.	Service in place in 2009/2010.	Continue service based on demand.
	Additional information is available digitally.	Some database information is available digitally.	Digital downloadable audio books by 2012.	Digital newspapers are available by 2019.

Community Services (cont.)

Levels of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
Access to special collections, and other media as well as professional help to find regional and heritage information	Users have easy access to the wealth of materials available.	Items from the Waimea South Local history collection are being progressively digitised and stored on the library's kete. The kete is a digital repository hosted by Aotearoa People's Network Kaharoa. The kete is accessible via the internet.	If external funding can be secured, we will digitise artefacts and load them on to the regional history website.	If external funding can be secured for cataloguing and digitising print materials, TDC residents will be able to easily access these collections.
Access to a variety of information, leisure, social resources, and services to support those with special needs, via the libraries in Richmond, Motueka, Takaka and Murchison	TDC library buildings provide adequate spaces to enable the delivery of quality library services as measured against the LIANZA standard.	The extension of the Richmond Library was opened on 3 July 2010	The current redevelopment of the library at Richmond will see TDC achieve 100% of the LIANZA standard for library space by 2010.	The Richmond Library floor area is maintained at 100% of the LIANZA standard.
		The Murchison library building at 160m ² is less than the 210m ² recommended in the LIANZA standard. The floor space of the Takaka Library meets the LIANZA standard.	The Takaka and Murchison Libraries floor areas are maintained at 100% of the LIANZA standard.	The Takaka and Murchison Libraries floor areas are maintained at 100% of the LIANZA standard.
		Space issues in Motueka are causing difficulties with service delivery as it is around 50% of the LIANZA standard. The Motueka Library building at 453m ² achieves 50% of the LIANZA standard. Limited space has an impact on collection size. The collection size currently meets 67 % of the LIANZA standard.	The Motueka Library floor area is retained at its current size.	Council will investigate options for increasing the Motueka Library floor area by 2018/2019.

Major activities

- Ongoing management of Council libraries and delivery of library services to the community.
- Replacement of the library management software (LMS). Request for Proposal (RFP), selection and purchase of a new LMS will be undertaken in 2011/2012.
- Increase in book numbers – district wide.
- Increase digital collections (e.g. digital editions of newspapers, digital downloadable audio books, premium lending collection).
- Complete renovation of the website so it can function as the fifth branch – with e-commerce enabled and functionality to allow for the delivery of digital services.
- Growth of services in line with population driven demand.

Community Services (cont.)

Cost of Service Statement (including an allowance for inflation)

Libraries	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
General Rates	2,093,325	2,196,061	2,208,669
Fees & Recoveries	294,696	306,016	306,016
Sundry Income	102,695	129,376	109,627
TOTAL INCOME	2,490,716	2,631,453	2,624,312
OPERATING COSTS			
District Operations	246,499	258,487	274,360
District Library	1,110,096	1,153,589	1,169,075
Motueka Library	466,630	528,398	482,560
Takaka Library	276,104	287,226	301,614
Murchison Library	8,678	9,207	9,081
Link Libraries	2,858	3,033	3,051
Tapawera Library	17,707	18,507	18,565
Depreciation	133,458	180,997	156,893
TOTAL OPERATING COST	2,262,030	2,439,444	2,415,199
NET COST OF SERVICE (SURPLUS)	(228,686)	(192,009)	(209,113)
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	(228,686)	(192,009)	(209,113)
Capital	362,144	373,006	366,006
	133,458	180,997	156,893
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	133,458	180,997	156,893
	133,458	180,997	156,893

ii. Cultural Services and Community Grants

What we do

The role of this activity is strengthening communities by providing the resources for community initiatives and community organisations to enable them to achieve their objectives by way of grants. Grants are predominately for 'not for profit' community and voluntary groups working for the benefit of Tasman District communities.

These are the various contestable funding streams provided by Council in 2011/2012: School Swimming Pool Subsidy (\$52,121), Community Grants (\$168,647), Tasman \$200 Ships (\$3,284), Mature Person Scholarships (\$5,474), Creative Communities (\$32,845) on behalf of Creative NZ, Council's Community Development Fund (\$20,000) and the SPARC Rural Travel Fund (\$18,612) on behalf of SPARC. These are inflation adjusted each year.

In addition to the contestable funds the Council allocates annual grants to various cultural services including: the Provincial Museum, Motueka and Golden Bay Museums and The Suter art gallery.

The community is invited to apply for grants subject to eligibility criteria. Application forms are available from Council offices, libraries and on-line. Special Council Committees consider applications.

The Council also supports the work of the International Safe Communities "Safe at the Top" group and provides it with in-kind support. The Mayor has endorsed the project and Council's Community Recreation Advisor is on the project's Steering Group.

Why we do it

Council is required by community expectation to promote the well-being of the communities in its District. This requires community growth and participation. Community organisations are often staffed by volunteers, but provide a key service throughout the region. These services require support to remain sustainable.

Community Services (cont.)

Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our vibrant community is safe, well, enjoys an excellent quality of life and supports those with special needs.	Supports and funds 'not for profit' organisations and individuals who deliver services in our district that contribute to Council's Community Outcomes.
Our diverse community enjoys access to a range of spiritual, cultural, social, educational and recreational services.	Assists community-led facilities, projects and initiatives to deliver benefits across the broader community.
Our participatory community contributes to District decision-making and development	Enabling organisations to work with Council to deliver benefits across the community.

Our goal

Our aim is to support quality cultural and community services that enable participation in suitable, relevant, and enjoyable activities and environments, and to enable communities to lead initiatives to help themselves.

Changes from the Ten Year Plan

There are no changes from the Ten Year Plan for the cultural services and community grants activity over the year.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2019

Levels Of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
Provide grants to community groups to deliver services and facilities that enhance community well-being.	Grants are fully allocated to groups and individuals who meet our funding criteria.	83% of Council's grants have been allocated as at 30 June 2010. The target was for 100% of these grants to be allocated by year end. However, this is dependent on the value of the grants submitted as this is more important than ensuring that all funds are allocated.	100% of grant funding is allocated.	100% of grant funding is allocated.
	Groups are delivering the services outlined in their applications and that they receive grant money to provide services to the community.	Council is very strident on receiving completed accountability forms. Reminders are sent for non received accountability forms and if not received then Council may even request the funds are returned. We have 98% of accountabilities received from grants at year end.	90% of accountability forms are returned completed.	90% of accountability forms are returned completed.

Major activities

- Allocation of contestable grants.
- Ongoing allocation of funding to cultural services, e.g. Museums and The Suter art gallery.
- Annual review of grants funding criteria and process.
- Continuing the new Community Development Fund.

Community Services (cont.)

Cost of Service Statement (including an allowance for inflation)

Cultural Services and Community Grants	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
General Rates	417,369	425,917	438,164
Sport & Recreation NZ	87,000	87,000	87,000
Fees & Recoveries	59,425	77,443	77,443
Sundry Income	17,114	21,560	18,269
TOTAL INCOME	580,908	611,920	620,876
OPERATING COSTS			
Council Grants	356,946	375,371	386,847
Sport & Recreation NZ Grants	87,000	87,000	87,000
Creative New Zealand Grants	32,006	32,845	32,845
Community Sport Fund Grants	5,334	5,474	5,474
The Suter Te Aratoi o Whakatu	78,922	80,990	80,990
Loan Interest	20,700	30,240	27,720
TOTAL OPERATING COST	580,908	611,920	620,876
NET COST OF SERVICE (SURPLUS)	-	-	-
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	-	-	-
Advances Given	120,000	120,000	120,000
	120,000	120,000	120,000
SOURCE OF FUNDS			
Loans Raised	120,000	120,000	120,000
	120,000	120,000	120,000

iii. Community Recreation

What we do

The Community Recreation activity provides for the recreational and cultural needs of the communities of the Tasman District. This is done via projects that support and develop the community engagement with recreation, sports, arts and heritage. The activity requires working collaboratively with community and government agencies to ensure sustainability of programmes. Where gaps exist in services that should be provided, there is a role to advocate and work on behalf of the community.

Why we do it

Active and involved communities are sustainable and healthy communities. Recreation and leisure activities contribute to the regions prosperity and identity. The Community Recreation Activity is an essential component of Council's business in terms of:

- How it relates to the communities.
- How it strengthens its communities.
- How it supports its communities.
- How it maintains an accurate picture of community opportunities and challenges.

Community Services (cont.)

Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique and special natural environment is bountiful, healthy, clean and protected.	Encouraging low impact engagement with and enjoyment of the natural environment.
Our built urban and rural environments are functional, pleasant, safe and sustainably managed.	The activity provides information to encourage safe use of the environment with activities that do not cause negative impact.
Our transport and essential services are sufficient, efficient and sustainably managed.	Advising planners to ensure active transport is included in Council's provision of transport services.
Our vibrant community is safe, well, enjoys an excellent quality of life and supports those with special needs.	Providing and supporting quality recreational services which enable participation in suitable relevant and enjoyable activities life long.
Our community understands regional history, heritage and culture.	Promotion and celebration of our history and diverse cultures.
Our diverse community enjoys access to a range of spiritual, cultural, social, educational and recreational services.	Promotion and delivery of recreational services that reflect the diversity of the Tasman District.
Our participatory community contributes to district-decision-making and development.	Ensuring communication to communities encourages engagement.
Our growing and sustainable economy provides opportunities for us all.	Working in partnership with community, business, government and professional groups to strengthen and grow the economy.

Our goal

Council's aim is to enhance the quality of life of the community by providing and supporting quality recreational services which enable participation in suitable, relevant and enjoyable activities and environments lifelong.

Changes to the Ten Year Plan

There are no changes from the Ten Year Plan for the community recreation activity over the coming year.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2019

Levels of Service (We provide)	We will know we are meeting the Level of Service if ..	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance by Year 10
The activity provides information to encourage use of our environment and that the activities of others do not cause negative impact.	The community can access the information to enable safe and positive interaction with our environment.	This measure was not surveyed in the 2009/2010 year. (61% of residents have seen or read Walk or Bike Tasman, as measured by the Communitrak Survey undertaken in 2009). This performance measure will be measured again in 2012.	60% of residents have seen or read Walk or Bike Tasman, as measured by Communitrak Survey undertaken at least three yearly.	65% of residents have seen or read Walk or Bike Tasman, as measured by Communitrak Survey undertaken at least three yearly.
Work with user groups and advocates to ensure active transport is included in Council's provision of transport services.	We have more people getting to work/school walking or cycling.	Council contractor MWH New Zealand Ltd has recently commenced cycle counts in Richmond along Salisbury Road, Wensley Road, the underpasses and the ASB path. These counts are undertaken in February and July of each year. This measure will be reported on in 2010/2011 as there will be sufficient history to comment on trends. Regular cycle counts are not undertaken in other areas.	Raise the rates of walking and cycling consistent with the Tasman Walking and Cycling Strategy.	Raise the rates of walking and cycling consistent with the Tasman Walking and Cycling Strategy.
Providing and supporting quality recreational services which enable participation in suitable, relevant, and enjoyable activities and environments lifelong.	Residents are informed of and participating in relevant safe leisure activities.	This measure was not surveyed in the 2009/2010 year. (75% of the community is either fairly or very satisfied with Council recreation programmes as measured by Communitrak Survey undertaken in 2009). This performance measure will be measured again in 2012.	75% of the community is either fairly or very satisfied with Council recreation programmes as measured by Communitrak Survey undertaken at least three yearly.	75% of the community is either fairly or very satisfied with Council recreation programmes as measured by Communitrak Survey undertaken at least three yearly.

Community Services (cont.)

Levels of Service (We provide)	We will know we are meeting the Level of Service if ..	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance by Year 10
<p>Promotion and celebration of our history and cultures.</p> <p>Support of facilities and services that house our regions stories, artefacts and arts.</p>	Residents are satisfied with the information available in publications and the experiences and access to the regions arts, culture and heritage.	This measure was not surveyed in the 2009/2010 year. (95% of residents who have seen at least one of the recreation publications are fairly or very satisfied with them as measured by Communitrak Survey undertaken in 2009). This performance measure will be measured again in 2012.	90% of residents who have seen at least one of the recreation publications are fairly or very satisfied with them as measured by Communitrak Survey undertaken at least three yearly.	90% of residents who have seen at least one of the recreation publications are fairly or very satisfied with them as measured by Communitrak Survey undertaken at least three yearly.
Promotion and delivery of events and recreational services that reflect the diversity of the District.	Residents attending a range of Council organised and supported activities and events are satisfied.	This measure was not surveyed in the 2009/2010 year. (80% of the community is very or fairly satisfied with Council activities or events as measured by Communitrak Survey undertaken in 2009). This performance measure will be measured again in 2012.	80% of the community is very or fairly satisfied with Council activities or events as measured by Communitrak Survey undertaken at least three yearly.	80% of the community is very or fairly satisfied with Council activities or events as measured by Communitrak Survey undertaken at least three yearly.
Community development is supported with staff advice and funding support.	<p>Information to support communities is accessible and relevant.</p> <p>Information about grants assistance is accessible and appropriate. The administration of funding is clear and transparent.</p>	This measure was not surveyed in the 2009/2010 year. (70% of the community is very or fairly satisfied with the community assistance as measured by Communitrak Survey undertaken in 2009). This performance measure will be measured again in 2012.	70% of the community is very or fairly satisfied with the community assistance as measured by Communitrak Survey undertaken at least three yearly.	70% of the community is very or fairly satisfied with the community assistance as measured by Communitrak Survey undertaken at least three yearly.

Major activities

- Support of community development via advice, grants and partnership arrangements. Particularly Way2Go, a Nelson Tasman Active Communities project. The aim of the Way2Go programme is to break down barriers to physical activity by providing programmes and information about achievable physical activity and/or active recreation opportunities in local communities.
- Support of regional recreation programmes.
- Provision of community events and activities including promotion via website, Mudcakes and Roses, Boredom Busters, JAM Magazine, Newslines, Found Directory, Bike/Walk Tasman, Hummin in Tasman and other media.
- Facilitate the Youth Council with regional Recreation Coordinators.
- Consider implementing actions identified as priorities in the Nelson Tasman Regional Arts Strategy.
- Completion of a youth strategy.
- Undertake projects that support and develop community engagement with recreation, sport, arts and heritage.

Community Services (cont.)

Cost of Service Statement (including an allowance for inflation)

Community Recreation	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
General Rates	611,353	579,005	682,668
Fees & Recoveries	99,162	101,880	108,856
Sundry Income	24,017	30,258	25,637
TOTAL INCOME	734,532	711,143	817,161
OPERATING COSTS			
Community Advisory Service	645,512	612,608	725,626
Boredom Busters	30,406	31,203	31,203
School Swimming Pool Subsidies	50,612	59,121	52,121
Walk Tasman Booklets	8,002	8,211	8,211
Depreciation	371	350	476
TOTAL OPERATING COST	734,903	711,493	817,637
NET COST OF SERVICE (SURPLUS)	371	350	476
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	371	350	476
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	371	350	476
	371	350	476



Waka ama – Lake Rotoiti



Musical event at the Naked Possum Cafe

Community Services (cont.)

iv. Community Facilities and Parks and Reserves

1.1 Parks and Reserves

What we do

Tasman District Council manages 598 hectares of reserve land comprising a range of parks, reserves, open spaces and recreational facilities (including 47 playgrounds) for and on behalf of the community. Easily accessible parks and open spaces provide active recreation, play and social opportunities for both residents and visitors. Council's activities in this area aim to assist in the development of healthy, active, functioning communities.

Parks and reserves includes the provision of:

- Urban open spaces and amenity reserves.
- Formal parks and gardens.
- Trees, plots and verges.
- Sports grounds.
- Rabbit Island.
- Rural recreation and esplanade reserves.
- Walkway reserves.
- Scenic and special interest parks.

Why we do it

Council is required by law and community expectation to manage the use, development and protection of land and natural resources in a way that protects environmental standards and promotes community well-being.

Council recognises it plays a key role in creating the environment in which communities can prosper and enjoy improved health and well-being. The provision of open spaces and recreational facilities influences the way in which people can take part in the life of the community and makes the choice for people to be more active more convenient, easy, safe and enjoyable.

Community Services (cont.)

Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique and special natural environment is bountiful, healthy, clean and protected.	<p>Protection of the natural environment and ecologically significant areas.</p> <p>Provision and enhancement of open space.</p> <p>Vegetation enhancement and awareness.</p> <p>Enhanced community involvement in conservation and restoration work.</p> <p>Protection and enhancement of coastal and riparian areas.</p>
Our built urban and rural environments are functional, pleasant, safe and sustainably managed.	<p>Provision and enhancement of open space and an interconnected open space network.</p> <p>Provision of neighbourhood and community parks within walking distance of homes.</p>
Our vibrant community is safe, well, enjoys an excellent quality of life and supports those with special needs.	<p>Provision of open space and recreation facilities that cater for and promote active lifestyles. This includes casual activities such as walking and cycling, and organised sports and recreation activities.</p> <p>Reserves and facilities are designed and managed to ensure users safety and cater for the needs of the whole community.</p>
Our diverse community enjoys access to a range of spiritual, cultural, social, educational and recreational services.	<p>Provision of high quality open space, recreation and cultural facilities that provides a range of leisure and cultural opportunities.</p>

Our goal

We aim to provide parks, reserves and recreational facilities that promote the physical, psychological, environmental and social well-being of communities in Tasman District.

Key changes to the Ten Year Plan

There are no key changes from the Ten Year Plan in the community facilities and parks and reserves activity over the coming year.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2019

Levels Of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance by Year 10
Interconnected open space network and recreation facilities that provide a range of leisure opportunities and meet the needs of users and the community.	Area of actively maintained reserve land above 4ha/1000 residents as measured by Yardstick ¹ .	Current level of service of 10.3ha/1000 residents. The TRMP states 4ha/1000 residents and this will need to be amended to 10ha/1000 residents at some stage. The Yardstick ParkCheck 2009/2010 Parks and Reserves Survey published in April 2010 showed an overall satisfaction level of 89.9% for TDC against an average satisfaction level of 86% (16 local authorities participated in this survey).	Future performance to be amended from current stated target of 4ha/1000 residents to 10ha/1000 residents.	Area of actively maintained reserve land to be a minimum of 10ha/1000 residents.
	We have a minimum of 4 playgrounds per 1000 children under 15 years old.	Currently we have 4.3 playgrounds per 1000 children under 15. An independent auditor was undertaken in July/August 2010 to peer review the work that was undertaken.	100% compliance with standard.	100% compliance with standard.
	Resident satisfaction with reserves score above 80% - as measured by Communitrak Surveys ² undertaken at least 3 yearly.	The 2009/2010 Communitrak survey shows that 93% of residents overall are satisfied with the District's recreational facilities - which includes playing fields and neighbourhood reserves. (2009: 95% satisfied).	80% satisfaction.	80% satisfaction.

Community Services (cont.)

Levels Of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance by Year 10
Interconnected open space network and recreation facilities that provide a range of leisure opportunities and meet the needs of users and the community. (cont.)	We have a current reserves strategy in place.	The consultant to be used for this strategy has been used to work on other Council priorities. Work on this strategy commenced in July 2010.	Reserves strategy to be completed by June 2010.	Updating reserves strategy, as required.
	Parks, reserves, playgrounds and sportsfields are maintained in accordance with contractual standards ³ .	This target has not yet been measured as some system changes are required to quantify the actual compliance level. There have been no issues with contractual standards. The system changes will be undertaken when the contract comes up for renewal.	90% compliance with contractual standards.	90% compliance with contractual standards.
	Maintenance and safety queries and faults are dealt with promptly as per contractual standards (e.g. within 3 working days, unless specified as urgent when it will be done within 24 hours).	This target has not yet been measured as some system changes are required to quantify the actual compliance level. There have been no issues with contractual standards. The system changes will be undertaken when the contract comes up for renewal.	85% compliance with contractual standards.	85% compliance with contractual standards.

¹ Yardstick

Yardstick™ is an international parks benchmarking initiative. It involves council parks departments participating in an annual self-assessment survey. Information collected includes levels of service, financial information, best practice, asset management and policy and planning. The information is collated at the national level and made available to the councils. Over half of the councils in New Zealand are members, as is the Department of Conservation.

² Communitrak Survey

Survey of residents' opinions that the Council has undertaken by an independent research agency.

³ Contractual standards

Standards in the Parks and Reserves Asset Management Contracts, covering lawn mowing, maintenance of plants, weed removal, and equipment (e.g. furniture, playgrounds) inspections and maintenance.

Major activities

- Ongoing management, maintenance and renewal of Council community facilities and Council's parks and reserves.
- Undertake capital works programme.
- Prepare a Reserves Strategy.
- Review reserve management plans that are 10 years old and have not had an interim review.

In addition to the above reserve specific projects the Council has identified a range of projects it can do to enhance the natural environment and outdoor recreational opportunities. Some of the projects are increasing or enhancing existing services and others are new projects.

New Projects	Notes	2010/2011 Budget \$	Annual Plan 2011/2012 Budget \$
Designing and constructing township entrance signage.	New signage and landscaping at District State Highway entrances.	\$21,296	\$21,856
Treasured Pathway – upgrading signage and promotional materials (working with other agencies).	Joint project with DOC, NCC and MDC.	\$15,972	\$16,392
Amenity planting in Tasman District.	Tree policy, town street planting.	\$5,324	\$5,464
Waimea Inlet enhancement (working with other agencies).	Ongoing development of walkway linkages.	\$5,324	\$8,196
Waimea River Park – enhancing walking, cycling, swimming and native replanting.	Confluence of Waimea, Wairoa and Wai-iti Rivers.	\$21,296	\$20,000
Contribution to developing the Kawatiri Rail Trail.	Support for external groups.	\$5,324	\$5,464

Community Services (cont.)

New expenditure

RICHMOND	2010/2011 Budget \$	Annual Plan 2011/2012 Budget \$
Project	2010/2011	2011/2012
Walkways/cycleways	\$133,141	\$137,135
Sports fields	\$105,536	\$65,825
Picnic areas	\$36,296	\$10,000
Gardens	\$19,000	\$32,848
Playgrounds	\$133,142	\$54,854
Miscellaneous	\$130,606	\$37,795

MOTUEKA	2010/2011 Budget \$	Annual Plan 2011/2012 Budget \$
Project	2010/2011	2011/2012
Walkways/cycleways	\$68,250	\$54,768
Sportsfields	\$153,926	-
Picnic areas	\$69,583	\$31,942
Gardens	\$13,310	\$30,928
Playgrounds	\$47,931	\$54,854
Coastcare	\$37,275	\$38,334
New reserves	\$250,000	-
Miscellaneous	\$66,495	\$117,511

GOLDEN BAY	2010/2011 Budget \$	Annual Plan 2011/2012 Budget \$
Project	2010/2011	2011/2012
Walkways/cycleways	\$110,186	\$60,000
Sports fields	\$15,977	-
Picnic areas	\$10,648	\$10,000
Gardens	\$10,000	\$38,248
Playgrounds	\$63,908	\$65,000
Coastcare	\$53,344	\$54,742
School Pool upgrade	\$64,013	-
Miscellaneous	\$145,330	\$1,500

MOUTERE/WAIMEA/LAKES/MURCHISON	2010/2011 Budget \$	Annual Plan 2011/2012 Budget \$
Project	2010/2011	2011/2012
Walkways/cycleways	\$106,504	\$72,870
Sports fields	\$143,802	\$34,942
Picnic areas	\$51,944	\$20,928
Gardens	\$29,815	\$109,665
Playgrounds	\$102,605	\$43,883
Tennis courts	\$30,000	-
Coastcare	\$36,621	\$20,000
New reserves	\$35,000	\$30,000
Hall trusts	\$5,326	\$5,000
Miscellaneous	\$202,209	\$8,000
Mapua waterfront development \$1 million	\$532,565	-
Old Mill Walkway stopbank contribution	\$150,000	-

DISTRICT	2010/2011 Budget \$	Annual Plan 2011/2012 Budget \$
	2010/2011	2011/2012
Planning and protected trees	\$42,006	\$35,474
Halls and reserves	\$232,709	\$175,000
Re-vegetation	\$79,860	\$81,960

Community Services (cont.)

Cost of Service Statement (including an allowance for inflation)

Parks and Reserves	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
General Rates	4,601,166	4,839,635	4,856,021
Fees & Recoveries	2,010,711	2,333,800	1,468,871
Sundry Income	265,835	326,679	283,785
TOTAL INCOME	6,877,712	7,500,114	6,608,677
OPERATING COSTS			
Cemeteries	320,038	330,899	331,131
Public Conveniences	610,428	629,561	630,089
Urban Open Space & Amenity Reserves	796,315	850,006	851,214
Gateway Projects	47,916	49,176	49,176
Trees Plots and Verges	199,157	206,834	207,252
Formal Parks and Gardens	181,020	197,800	197,800
Special Interest Sites	81,991	88,518	88,518
Sports Grounds	545,452	565,364	565,941
Rabbit Island	360,717	382,811	381,255
Rural Recreation & Esplanade Reserves	411,486	452,619	453,037
Walkways	179,807	195,312	195,297
Miscellaneous	130,921	134,696	134,754
Asset Management	1,032,861	1,110,430	1,080,587
Special Purpose Committees	530,768	546,165	543,312
Loan Interest	251,386	220,361	191,798
Reserve Financial Contribution Maintenance Costs	1,573,880	1,111,544	1,007,598
Depreciation	262,030	304,378	353,026
TOTAL OPERATING COST	7,516,173	7,376,474	7,261,785
NET COST OF SERVICE (SURPLUS)	638,461	(123,640)	653,108
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	638,461	(123,640)	653,108
Capital	2,457,686	1,468,523	945,132
Loan Principal	482,135	241,849	309,676
	3,578,282	1,586,732	1,907,916
SOURCE OF FUNDS			
Loans Raised	2,032,565	-	500,000
Restricted Reserves Applied	866,842	832,176	604,712
Allocation from Camping Grounds, Comm Housing & Forestry	416,845	450,178	450,178
	3,316,252	1,282,354	1,554,890
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	262,030	304,378	353,026
	262,030	304,378	353,026
	3,578,282	1,586,732	1,907,916



Kiyosato Gardens



Bushwalk to Harwoods Hole

Community Services (cont.)

1.2 Community Buildings

What we do

Council provides buildings that assist in meeting the community demand for indoor meeting and recreation spaces. Our current list of Public Halls and Community Buildings includes 24 halls around the District. We provide multi-purpose halls in most small settlements throughout the District. This is a result of historic development and past community needs. In most cases the halls are well used, performing an important community function and are valued assets in the communities.

The quality of public halls varies dependent on their age and past maintenance and improvement history. In most cases they are maintained with the assistance of volunteer Hall Management Committees.

Other facilities, like the Motueka Recreation Centre, have had the management of them contracted out. A few like the Pohara Hall are managed directly by Council.

The financial data for this activity also incorporates all the projects funded by the Facilities Rate (please refer to page 191 for details of the projects).

Why we do it

Public halls and community buildings are provided to deliver a range of benefits including:

- Meeting space for community organisations.
- Meeting space for community gatherings.
- Indoor space for community events.
- Indoor space for recreation and arts activities.

The benefits of community buildings are specifically or generally believed to enhance the community's health and well-being.

Community Services (cont.)

Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our vibrant community is safe, well, enjoys an excellent quality of life and supports those with special needs.	Provision of recreation facilities that caters for and promotes healthy communities through social and recreation activity. Facilities are designed and managed to ensure users safety and cater for the needs of the whole community.
Our diverse community enjoys access to a range of spiritual, cultural, social, educational and recreational services.	Provision of high quality, recreation and cultural facilities that provide a range of leisure and cultural opportunities.

Our goal

We aim to provide buildings that assist in meeting the community demand for indoor activities and recreation spaces.

Changes from the Ten Year Plan

There are no changes from the Ten Year Plan for the community buildings activity over the coming year apart from the deferral of the Mapua Hall funding outlined in the District Facilities section. However, Council has agreed to provide funding in the 2011/2012 budget of up to \$65,000 for the specific purpose of preparing building plans up to the tender stage.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2019

Levels Of Service (We provide)	We will know we are meeting The Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
Buildings that assist in meeting the community demand for indoor activities and recreation spaces.	Halls and other buildings provided at a local community level provide reasonable access to indoor activities and recreation space and a central focal facility for all significant communities.	A local organisation undertook a survey of Golden Bay residents to determine what was required. Results were inconclusive and a further study is proposed as well as a public meeting held in August 2010.	Investigating the provision of a new facility in Golden Bay during the first three years.	Construction of new Golden Bay facility in 2012/2013, subject to the outcomes of a feasibility study and public consultation.
		A Needs Analysis was undertaken and results were reported to Council in July/August 2010.	Assist the Mapua community with the upgrade or replacement of the Mapua Hall in 2011/2012 owned by a community trust.	Continue with existing hall upgrades in 2012/2013 and 2017/2018.
	We have a current hall strategy in place.	Currently we do not have a hall strategy.	Contribute to a community facility in Richmond, subject to the outcome of a needs analysis and further public consultation.	Hall strategy is maintained and updated, as required.
	Residents satisfaction with community halls is 80% or above, as measured through the Communitrak Survey, at least three yearly.	Not measured in 2010. (2009: 95% satisfied).	Hall strategy to be prepared by June 2011.	80% satisfaction.

Major activities

- Ongoing management and maintenance of Council public halls and community buildings, some of which are managed in association with volunteer committees.
- Undertake the capital works programme.
- Investigate the need for a community facility at Golden Bay.
- Complete a Community Halls Strategy.
- Finalise the Building Maintenance Plan.
- Investigate the development and upgrade of the Wakefield Village Hall and Brightwater Public Hall.
- Assist the Mapua community with funding up to \$65,000 for the specific purpose of preparing plans for the replacement of this hall, up to the tendering stage in 2011/2012.

Community Services (cont.)

Cost of Service Statement (including an allowance for inflation)

Community Facilities	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
General Rates	90,159	90,968	90,968
Targeted Rate	3,206,412	3,898,037	3,487,753
Fees & Recoveries	500,000	-	-
TOTAL INCOME	3,796,571	3,989,005	3,578,721
OPERATING COSTS			
Operational Expenses	3,875,153	6,633,371	3,376,452
Loan Interest	1,504,061	1,997,020	1,548,323
Depreciation	97,172	101,220	117,866
TOTAL OPERATING COST	5,476,386	8,731,611	5,042,641
NET COST OF SERVICE (SURPLUS)	1,679,815	4,742,606	1,463,920
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	1,679,815	4,742,606	1,463,920
Capital	2,236,297	-	-
Loan Principal	565,482	727,964	620,834
	4,481,594	5,470,570	2,084,754
SOURCE OF FUNDS			
Restricted Reserves Applied	335,527	173,269	143,804
Loans Raised	4,048,895	5,196,081	1,823,084
	4,384,422	5,369,350	1,966,888
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	97,172	101,220	117,866
	97,172	101,220	117,866
	4,481,594	5,470,570	2,084,754

1.3 Swimming Pools

What we do

The Council owns and contracts out the management of the ASB Aquatic Centre in Richmond which is a modern, all year operation, indoor 25 metre pool with additional leisure features. The new learners pool was opened during the 2010/2011 year and a fitness centre was built and opened to the public on 10 June 2011.

Two other small community outdoor pools are provided at Rockville and Upper Takaka, which are managed by the local communities. Funding assistance is also provided by Council to secure community access to some school pools.

Why we do it

Public swimming pool provision provides recreation facilities with wide ranging benefits:

- Learn to swim programmes which are considered a vital public service given our coastal and river environment and high rate of accidental drowning in New Zealand.
- Physical recreation activity to promote health and well-being.
- Sports and competitive activity.
- Leisure and play activity beneficial to families and children.
- A recreation activity available to all ages, gender and ability.

Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our vibrant community is safe, well, enjoys an excellent quality of life and supports those with special needs.	Provision of recreation facilities that cater for and promote healthy communities through social and recreation activity. Facilities are designed and managed to ensure their safety and cater for the needs of the whole community.
Our diverse community enjoys access to a range of spiritual, cultural, social, educational and recreational services.	Provision of high quality, recreation and cultural facilities that provides a range of leisure and cultural opportunities.

Community Services (cont.)

Our goal

We aim to provide swimming pools that assist in meeting the community demand for aquatic activities.

Changes from the Ten Year Plan

There are no changes for the swimming pools activity during the 2011/2012 year, apart from the reduction in funding for the Motueka Swimming Pool outlined in the District Facilities section.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2019

Levels Of Service (We provide)	We will know we are meeting The Level Of Service if ..	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
Swimming pools that meet the needs of users and provide opportunity for aquatic based recreation activities and learn to swim programmes.	Provision of one indoor facility serving the needs of the district at Richmond and assistance with the provision of outdoor pools in other communities, to provide basic access to a swimming facility at a local level.	<p>The learners pool is due for completion in September 2010 and is expected to be slightly under budget. (The total budget for the project is \$2m plus inflation spread over 2 years).</p> <p>Council continues to fund school swimming pools subsidises with 97% of the budget paid out as at 30 June 2010.</p>	<p>In 2009/2010 a learn-to-swim pool will be constructed at the ASB Aquatic Centre.</p> <p>In 2011/2012 the Council, in conjunction with another party, may provide a swimming pool in Motueka.</p> <p>Council will continue to fund the school swimming pools to ensure public access.</p>	<p>Not applicable.</p> <p>Not applicable.</p> <p>Council will continue to fund the school swimming pools to ensure public access.</p>
	Customers are satisfied with the ASB Aquatic Centre, score above 80% as measured by Communitrak Survey undertaken at least three yearly.	<p>Not currently measured. This will be measured in the 2012 Communitrak Survey.</p> <p>However, the 2009 survey asked about overall satisfaction with swimming pools. The overall level of satisfaction was 54%, with 32% unable to comment, whereas the satisfaction of users was 76%.</p>	<p>Customer satisfaction with the ASB Aquatic Centre is 80% or above, as measured by Communitrak Survey, undertaken at least three yearly.</p>	<p>Customer satisfaction with the ASB Aquatic Centre is 80% or above, as measured by Communitrak Survey, undertaken at least three yearly.</p>
	Council undertakes an annual assessment of the ASB Aquatic Centre compliance with the NZ Swimming Pool water standards.	<p>The annual Swimming Pool Audit was undertaken on 27 October 2009 and all areas of the operation complied with the NZ Swimming Pool water standards.</p>	<p>Annual assessment is undertaken.</p>	<p>Annual assessment is undertaken.</p>

Major activities

- Continue to provide funding for the ASB Aquatic Centre.
- Continue to provide funding for school pools to ensure public access.
- Investigate and plan for a pool for Motueka to be built in 2012/2013.

New capital expenditure

There is no capital expenditure planned during 2011/2012.

Cost of service statement

Refer to the Parks and Reserves cost of service statement on page 148.

Community Services (cont.)

1.4 Public Conveniences

What we do

Council provides and maintains public conveniences throughout the District to meet community and visitor needs.

Currently there are a total of 64 toilet buildings located throughout the District. This includes seven in Richmond, 16 in Moutere/Waimea, 19 in Motueka, six in Lakes/Murchison, and 16 in Golden Bay. Most of the toilets have modern sanitary systems with a mix of reticulation, septic tank or containment systems.

Public conveniences have been divided into three categories as outlined in the Sanitary Services Assessment 2005:

- Toilet facilities in townships, predominantly to serve local shoppers.
- Toilet facilities in parks and reserves, predominantly to serve local users of the sport and recreational facilities.
- Toilet facilities on main visitor routes or at visitor attractions, predominantly to serve visitor groups.

Existing toilets appear to be meeting current demand and most are in good to excellent condition.

Why we do it

Public conveniences are provided for the following reasons:

- To comply with the Health Act 1956 to provide sanitary conveniences for use by the public.
- For users of parks and reserves.
- For visitors to town centres.
- For the travelling public.

The private sector provides limited numbers of public conveniences, therefore provision by local government, as a public good, is required.

Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our diverse community enjoys access to a range of spiritual, cultural, social, educational and recreational services.	Provision of attractive well maintained and functional toilet facilities. Facilities are designed and managed to ensure public safety.

Our goal

We aim to provide clean public toilet facilities to meet community and visitor needs, in appropriate locations.

Changes from the Ten Year Plan

There are no changes from the Ten Year Plan to the public convenience activity over the coming year, except for the delaying until 2012/2013 of construction of the Ben Cooper Park toilets.

Community Services (cont.)

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2019

Levels Of Service (We provide)	We will know we are meeting the Level Of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
Public conveniences at appropriate locations that meet the needs of users and are pleasant to use and maintained to a high standard of cleanliness.	Customers are satisfied with our public toilets as measured by the Communitrak Survey undertaken at least three yearly.	81% of users were satisfied or very satisfied with the public conveniences as measured by Communitrak Survey undertaken in 2010.	Customer satisfaction with public conveniences is 70% or above.	Customer satisfaction with public conveniences is 70% or above.
	Our toilets are cleaned and maintained to the appropriate contract specification as measured in the bi-monthly sample contract audit.	This target has not yet been measured as some system changes are required to quantify the actual compliance level. There have been no issues with contractual standards. The system changes are expected to be undertaken by 1 July 2011.	At least 90% compliant with contract cleaning specifications.	At least 90% compliant with contract cleaning specifications.
	New toilets are provided where there is a demonstrated need.	The Rabbit Island new facility development is currently on hold until the septic tank and drainage field upgrade is completed. This went out for tender in August 2010. The Labyrinth Rock facility has been completed with Council purchasing the temporary portaloos as the new permanent toilet. A replacement toilet facility has been built at the Edward Baigent Reserve.	New toilets scheduled to be built at: • Rabbit Island 2009/2010 • Labyrinth Rock 2009/2010 • Mapua Waterfront Park 2010/2011 • Ben Cooper Park 2011/2012 • Edward Baigent Reserve 2009/2010.	New toilets will be built at Marahau in Year 2014/2015 and on other new reserves as required.
	We complete a review of public conveniences.	We have identified that a review needs to be undertaken.		Public convenience review is completed during 2012/13.

Major activities

- Ongoing management, maintenance and renewal of Council public conveniences.
- Undertake capital expenditure programme.
- Finalise Building Maintenance Plan.
- Undertake review of public conveniences.

Cost of Service Statement

Refer to the Parks and Reserves cost of service statement on page 148.

New capital expenditure

There are new or replacement toilets planned in Golden Bay, and at Waterfront Park in Mapua.

1.5 Cemeteries

What we do

A total of 12 cemeteries are provided across the District in the following locations:

- Richmond
- Bainham, Collingwood
- Collingwood
- Fletts Road, Lower Moutere
- Kotinga
- Motueka
- Murchison
- Rototai, Takaka
- Spring Grove
- Waimea West, Brightwater
- Marawera, Tapawera
- Foxhill

Most burial activity occurs at the main cemeteries located in Richmond, Motueka and Takaka. Tasman District Council manages cemeteries throughout the District providing accessible and appropriate sites for burial. Natural burials are provided for in the Motueka cemetery and will be provided for in the Rototai and Spring Grove cemeteries (subject to suitability) during 2011.

All these cemeteries have a significant number of plots available and, at current burial rates, there is no demand for additional land within the next 20 years, except for Richmond.

Long term there is a requirement to provide land for an alternative to the existing Richmond Cemetery. Due to social issues and the time it takes to develop cemeteries, it is preferable to purchase suitable land and to publicise the intended use well before any actual need.

We provide a small amount of funding for maintenance of privately managed cemeteries (e.g. Urupa and trustee cemeteries).

Why we do it

Cemeteries are provided for the following reasons:

- Public health.
- Comply with the requirements of the Burial and Cremation Act 1964.

Community Services (cont.)

Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our diverse community enjoys access to a range of spiritual, cultural, social, educational and recreational services.	Provision of attractive and functional cemeteries.

Our goal

We aim to provide an attractive and peaceful environment for the burial, memorial and remembrance of the deceased.

Changes from the Ten Year Plan

There are no changes from the Ten Year Plan for the cemeteries activity over the coming year.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2019

Levels Of Service (We provide)	We will know we are meeting the Level Of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
Cemeteries that offer a range of burial options and adequate space for future burial demand.	<p>Planning assessment of future burial demands predicts adequate space available for at least 20 years.</p> <p>Cemeteries are maintained in accordance with the contractual standards in the Parks and Reserves Asset Management Contracts.</p>	<p>Proposed to investigate during the 2010/2011 financial year..</p> <p>This target has not yet been measured as some system changes are required to quantify the actual compliance level. There have been no issues with contractual standards. The system changes are expected to be undertaken by 1 July 2011.</p>	<p>Future acquisition of additional land is investigated in the Richmond area.</p> <p>90% compliance with the contractual standards.</p>	<p>Land purchased in Year 2018/2019.</p> <p>90% compliance with the contractual standards.</p>

Major activities

- Ongoing management and maintenance of Council cemeteries.
- No projects have been identified, although opportunities for the purchase of land for a new cemetery in Richmond need to be considered.

Cost of service statement

Refer to the Parks and Reserves cost of service statement on page 148.



Motueka Cemetery

Community Services (cont.)

1.6 Camping Grounds

What we do

Council owns four commercially operated camping grounds on reserve land in Collingwood, Motueka, Pohara and Murchison. These camping grounds assist in meeting the demand for camping at popular holiday destinations in Tasman District for both visitors and residents.

Eventually all the camping grounds will be operated on long-term commercial lease arrangements.

Why we do it

The camping grounds are located on reserve land at popular holiday destinations. They provide an opportunity for low cost holiday and visitor accommodation and deliver a range of benefits including:

- Providing unique recreation and holiday experiences.
- Providing facilities to cater for local residents and visitors to the District.
- Providing low cost access to riverside and coastal camping.

These reserves have historically been used as camping grounds – a permitted activity under the Reserves Act 1977. Council recognises that operating camping grounds is not core business and has endeavoured to enter into long-term lease arrangements to limit its involvement in the day-to-day running of these businesses.

Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our diverse community enjoys access to a range of spiritual, cultural, social, educational and recreational services.	Provision of camping grounds that enable people to have affordable and enjoyable holidays in the outdoors.

Our goal

Our aim is to ensure that Council-owned camping grounds provide holiday opportunities for visitors and residents and that they continue to be commercially viable and provide good financial returns to Council.

Changes from the Ten Year Plan

- Collingwood camping ground will not be put on a long-term commercial lease footing until after 2011/2012.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2019

Levels Of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
Camping grounds to provide the opportunity for people to have holidays in the outdoors.	Camping grounds are well used, measured through annual dividends returned to Council.	Annual dividend of \$227,700 returned to Council.	Dividend increased to \$262,915 in 2011/2012.	Dividend increased to \$369,438 by Year 2018/2019.

Major activities

- Deliver capital expenditure programme.
- Organise long term lease for Collingwood camping ground.

Community Services (cont.)

Cost of Service Statement (including an allowance for inflation)

Camping Grounds	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
Fees & Recoveries	632,348	537,881	691,748
Sundry Income	24,017	26,450	25,640
TOTAL INCOME	656,365	564,331	717,388
OPERATING COSTS			
Motueka Top 10 Holiday Park	40,559	42,060	42,132
Pohara Beach Top 10 Holiday Park	54,793	57,001	57,132
Collingwood Motor Camp	172,275	38,700	173,457
Riverview Holiday Park	30,425	31,525	31,577
General	44,118	43,945	37,866
Loan Interest	47,027	29,128	60,370
Depreciation	51,156	48,803	65,838
TOTAL OPERATING COST	440,353	291,162	468,372
NET COST OF SERVICE(SURPLUS)	(216,012)	(273,169)	(249,016)
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	(216,012)	(273,169)	(249,016)
Transfer to Parks & Reserves Account	234,577	262,915	262,915
Transfer to Reserves	-	2,671	-
Capital	20,000	54,854	75,454
Loan Principal	54,818	38,853	58,348
	93,383	86,124	147,701
SOURCE OF FUNDS			
Restricted Reserves Applied	42,227	37,321	81,863
	42,227	37,321	81,863
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	51,156	48,803	65,838
	51,156	48,803	65,838
	93,383	86,124	147,701

1.7 Community Housing

What we do

This activity involves providing housing predominantly for elderly and other people who comply with the Council's Policy on Pensioner Housing. Council owns 30 cottages in Richmond, seven each in Brightwater and Wakefield, 45 cottages in Motueka and four cottages each in Takaka and Murchison, giving a total of 97. Four additional cottages will be completed in Richmond in 2011.

Housing allocation is carried out as per Tasman District Council's Policy on Pensioner Housing. This policy also sets income and asset limits and eligibility criteria.

This activity is provided for at no cost to the ratepayers, as rental income covers the total operating costs.

Why we do it

Prior to 1992 Government provided subsidies and low interest loans to local authorities to provide housing for the elderly. When these subsidies ceased Council resolved to continue with the provision of housing.

Council considers it has a social responsibility to provide affordable cottages for pensioners.

Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our diverse community enjoys access to a range of spiritual, cultural, social, educational and recreational services.	By providing good quality affordable housing for the elderly and others who meet the criteria of Council's Policy on Pensioner Housing.
Our vibrant community is safe, well, enjoys an excellent quality of life and supports those with special needs.	

Our goal

To provide housing for elderly and other people who meet the criteria of Council's Policy on Pensioner Housing, that is affordable, accessible and appropriate.

Changes from the Ten Year Plan

There are no changes from Year 3 of the Ten Year Plan for the community housing activity over the coming year.

Community Services (cont.)

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2010

Levels Of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
Housing that helps meet the needs of the elderly and people with disabilities.	The tenants are satisfied with the standard, quality and management of cottages.	Not currently measured. The survey will be undertaken in the 2010/2011 financial year.	Tenant satisfaction with standard, quality and management of cottages is 80% as measured through a biennial survey.	Tenant satisfaction with standard, quality and management of cottages is 80% as measured through a biennial survey.
	Our cottage rents do not exceed 80% of market rentals, as measured at least three yearly by a registered valuer.	Land has been purchased and planning is underway for four new cottages to be built in 2011. Cottage rents do not exceed 80% of market rentals as measured by Duke & Cooke Ltd (Registered Valuers) in September 2007. A market rentals review will be undertaken in the 2010/2011 financial year.	Three new cottages may be built in 2009/10. Achieved.	Depending on the availability of Government subsidies for housing, more cottages may be built in other towns if the need is justified. Achieved.

Major activities

- Completion of four additional cottages in Richmond in 2011.
- Continue provision and management of existing housing.

Cost of Service Statement (including an allowance for inflation)

Community Housing	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
Fees & Recoveries	529,671	561,654	503,126
Sundry Income	37,552	41,359	40,093
TOTAL INCOME	567,223	603,013	543,219
OPERATING COSTS			
General	438,091	455,148	457,008
Loan Interest	13,977	9,182	8,853
Depreciation	62,251	58,841	77,152
TOTAL OPERATING COST	514,319	523,171	543,013
NET COST OF SERVICE (SURPLUS)	(52,904)	(79,842)	(206)
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	(52,904)	(79,842)	(206)
Transfer to Reserves	15,635	61,292	-
Transfer to Parks & Reserves Account	26,077	27,665	27,665
Loan Principal	73,443	49,726	57,184
	62,251	58,841	84,643
SOURCE OF FUNDS			
Restricted Reserves Applied	-	-	7,491
	-	-	7,491
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	62,251	58,841	77,152
	62,251	58,841	77,152
	62,251	58,841	84,643



Council owned Community Housing in Richmond

Governance

The 2011/2012 year budget for the Governance activity is outlined in the table below, along with the 2010/2011 budget for comparison.

Governance	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
Governance	3,768,227	3,964,707	3,913,852
TOTAL COSTS	3,768,227	3,964,707	3,913,852

Details of the governance activity are outlined in the following pages. These pages cover what the Council does in the governance activity, why we do it, the contribution the activity makes to the Community Outcomes, the activity goal, any key changes from the Ten Year Plan relating to the activity, how we will measure our performance, the key things we will be doing in relation to the activity and funding of the activity.

Governance (cont.)

What we do

This activity involves running the electoral process to provide the District with a democratically elected Mayor, Councillors and Community Board members and the governance of the District by its elected representatives. It also involves:

- Support for councillors.
- Organising and preparation for Council meetings.
- Preparing Council's strategic plans and annual financial reports.
- Running elections and democratic processes, including community consultation.

Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our participatory community contributes to District decision-making and development	The Governance activity contributes to the community outcomes by ensuring democratic processes and strategic planning are undertaken, and by supporting the work of elected members.

Why we do it

We undertake this function to support democratic processes and Council decision-making, while meeting our statutory functions and requirements.

Electoral process

Tasman District is divided into five electoral wards – Golden Bay, Lakes/Murchison, Motueka, Moutere/Waimea and Richmond. Councillors are elected by ward. The Mayor is elected from across the District. We have Community Boards in Golden Bay and Motueka.

Elections are held every three years under the Local Electoral Act 2001.

Council comprises a Mayor and 13 Councillors elected as follows:

Ward	Councillors
Golden Bay	2
Lakes/Murchison	1
Motueka	3
Moutere/Waimea	3
Richmond	4

Friendly Towns/Community Relationships

Tasman District Council enjoys Friendly Town/Communities Relationships with three towns, two in Japan and one in Holland. Motueka has a friendly town relationship with Kiyosato in Japan, and Richmond has a friendly town relationship with Fujimi-Machi in Japan. There are regular exchanges of students and adults between the towns. Takaka has a Friendly Towns Relationship with Grootegast in Holland, and the Tasman District Council has a Friendly Communities Relationship with Grootegast Council. These relationships foster and encourage economic and cultural relations between the areas.

Major activities

- Three yearly elections, with the next scheduled for October 2013.
- Preparation of the Annual Plan and Annual Report.

Changes from the Ten Year Plan

There are seven changes from the Ten Year Plan for the governance activity during 2011/2012.

- Interest Rate Assumption – In the Ten Year Plan Council used 7.2 percent as its assumption for the interest rate we would need to pay for loan servicing. However, as a result of using interest rate hedges Council's interest rate volatility has been reduced meaning that the interest rate can be reduced from 7.2 to 6.6 percent. Therefore, we have adjusted our loan servicing costs to reflect this reduction.

Governance (cont.)

- Insurance costs – The cost of some of Council's insurances has increased for the 2011/2012 year over and above the figures estimated in Year 3 of the Ten Year Plan, particularly the Local Authority Protection Programme (which covers infrastructure assets) and insurance against weather-tight homes claims. The additional costs for the LAPP fund alone are around \$168,000.
- Holding Company – In the Ten Year Plan Council proposed setting up a joint Holding Company to improve governance and management of its trading enterprises owned jointly with Nelson City Council. Implementation of the joint Holding Company proposal has been delayed, while discussions occur with Nelson City Council on the matter. Therefore, the joint Holding Company may not be established. In the event of a joint Holding Company not being established Tasman District Council may consider establishing its own Holding Company.
- Discount for Early Payment of Rates – Last year Council decided to reduce the discount it gives ratepayers who pay their rates early. The discount was four percent in 2009/2010. Council decided to reduce the discount to two percent in 2010/2011. Council is retaining the discount at 2 percent in 2011/2012.
- Uniform Annual General Charge (UAGC) – Council is increasing the UAGC by \$20.00 to \$251.11 (excl GST) per rateable property.
- Tourism Targeted Rate – Last year Council changed the criteria for deciding which properties should pay the tourism targeted rate. The new criteria will be retained for the 2011/2012 year. The additional revenue collected was put towards destination marketing to contribute towards Nelson Tasman Tourism receiving a subsidy from central government for destination marketing activities. Council is proposing to reduce the funding for destination marketing, which will reduce the targeted tourism rate from \$125.78 in 2010/2011 to \$100.00 in 2011/2012. The funding generated from the tourism targeted rate is additional to the \$314,253 Council contributes as a "public good" from the general rate for the provision of public information centres. Council has requested that Nelson Tasman Tourism engages with members of the tourism sector to hear their views and consult on meeting their requirements.
- Motueka Community Board Targeted Rate for Additional Ward Projects – Council has agreed to the request from the Motueka Community Board to increase the Motueka Community Board Rate by \$4.34 excluding GST (\$5 including GST) per rateable property to enable several additional projects to be undertaken in the Motueka Ward. The additional funding generated from the rate increase is around \$25,000. The rate is, therefore, \$12.57 excluding GST per rateable property. The Community Board is to undertake further consultation with the Motueka Ward community on what the funding generated from the extra \$4.34 excluding GST is to be spent on. Council staff will work with the Board on the delivery and implementation of the projects.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2019

Levels Of Service (We provide)	We will know we are meeting the Level Of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
Support for Iwi to enable them to be consulted on Council statutory issues.	Funding is provided to enable Iwi consultation with Council on a wide range of statutory issues.	Council continues to provide funding and engage with Iwi on a wide range of issues. At 30 June 2010, 22% of funding budgeted for the year had been allocated. Funding had been allocated for preparation of an Iwi management plan, however, this had not commenced by Iwi at 30 June 2010.	90% of funding budgeted is allocated during any given year.	90% of funding budgeted is allocated during any given year.
Support for economic development in the Tasman District.	Funding is provided for economic development opportunities in Tasman District.	Council continues to provide funding for economic development. At 30 June 2010, 66% of funding budgeted for the year had been allocated.	90% of funding budgeted is allocated during any given year.	90% of funding budgeted is allocated during any given year.
Good strategic and annual planning for the Council.	The Ten Year Plan is prepared within statutory timeframes. Variations to this Ten Year Plan through the 2010/2011 draft Annual Plan process are well managed.	Council prepared its Annual Plan 2010/2011. All statutory requirements and timeframes were met. There were no amendments or variations to the Ten Year Plan, but where there were some key changes to the programme of works for Year 2 of the Ten Year Plan, these were outlined in the Annual Plan.	All Ten Year Plan statutory timeframes are met. Variations are managed to meet statutory requirements.	All Ten Year Plan statutory timeframes are met. Variations are managed to meet statutory requirements.
Effectively run election processes.	The election process is carried out effectively and there are no successful challenges.	There were no successful challenges to the 2010 election processes.	There are no successful challenges to the 2010 election processes.	There are no successful challenges to the 2013 and 2016 election processes.

Governance (cont.)

Cost of Service Statement (including an allowance for inflation)

Governance	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
General Rates	3,229,403	3,466,539	3,833,115
Targeted Rate	347,929	341,093	343,086
Fees & Recoveries	37,320	10,955	90,955
Sundry Income	154,314	169,940	164,732
TOTAL INCOME	3,768,966	3,988,527	4,431,888
OPERATING COSTS			
Council	3,148,181	3,415,962	3,434,284
Community Assistance	325,972	334,770	274,239
Elections	97,792	12,903	2,815
Economic Development	192,038	197,069	197,069
Depreciation	4,244	4,003	5,445
TOTAL OPERATING COST	3,768,227	3,964,707	3,913,852
NET COST OF SERVICE (SURPLUS)	(739)	(23,820)	(518,036)
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	(739)	(23,820)	(518,036)
Transfer to Reserves	42,650	44,879	539,800
	41,911	21,059	21,764
SOURCE OF FUNDS			
Restricted Reserves Applied	37,667	17,056	16,319
	37,667	17,056	16,319
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	4,244	4,003	5,445
	4,244	4,003	5,445
	41,911	21,059	21,764



Shenandoah



Turimawiri Sandhills, Golden Bay

Council Enterprises

The Council Enterprises section is broken down into three groups of related activities:

- Forestry
- Property Services
- Council Controlled Organisations

The 2011/2012 year budgets for the Council Enterprises activities are outlined in the table below along with the 2010/2011 budget for comparison.

Council Enterprises	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
Property	1,430,301	1,357,750	1,637,231
Forestry	1,344,966	580,750	1,716,043
TOTAL COSTS	2,775,267	1,938,500	3,353,274

Details of each of these groups of activities are outlined in the following pages. These pages cover what the Council does in relation to each activity group, why we do it, the contribution of the activities to the Community Outcomes, the activity goal, any key changes from the Ten Year Plan relating to the activity, how we will measure our performance, the key things we will be doing in relation to the activity and funding of the activity.

Note that the Council Enterprise Subcommittee has responsibility for governance of Port Tarakohe in Golden Bay and the Motueka Aerodrome (refer Coastal Structures section pages 69 and Aerodromes section page 74).

Council Enterprises (cont.)

i. Forestry

What we do

This activity involves the management of approximately 2,800 stocked hectares of commercial plantation forest. The current preferred species for the forests is Radiata Pine. Council forests are currently managed under contract by P F Olsen Limited.

Why we do it

- To provide a steady income to offset rates.
- To provide recreational opportunities where appropriate.

Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique and special natural environment is bountiful, healthy and protected.	Our plantation forests assist in reducing the carbon footprint for Tasman District.
Our built urban and rural environments are functional, pleasant, safe and sustainably managed.	We provide walkways and cycleways in our plantation forests where appropriate. Plantation forestry assists in providing green space and the retention of rural character.
Our growing and sustainable economy provides opportunities for us all.	We provide business opportunities for planting and tending of forests, plantation management and the logging and sale of logs. We endeavour to supply the majority of product to local markets where financially appropriate.

Our goal

To provide a commercial forestry operation that will contribute towards the enhancement of Council's recreational assets and maximise net returns on a sustainable basis to provide a contribution to rates.

Changes from the Ten Year Plan

Forestry Dividend:

Council has re-assessed the dividend it is likely to receive from its forestry activity. The dividend for the 2011/2012 year is likely to be \$450,000 which is around \$100,000 below what was anticipated in Year 3 of the Ten Year Plan, which will mean a reduction of that amount of revenue from the activity during the 2011/2012 year. The reasons for the reduced revenue resulted from a review of harvesting predictions and anticipated revenues.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2019

Levels Of Service (We provide)	We will know we are meeting the Level of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
We will responsibly manage liabilities for any carbon credits.	We meet the requirements laid down by government.	Council has appointed PF Olsens Ltd in the interim to manage the Emissions Trading Scheme (ETS) on our behalf .	Will depend on the policies of the new government.	Compliance with any emissions trading scheme
We will endeavour to provide recreational access where it is appropriate and does not interfere with forestry operations.	We develop and implement a policy on recreational access to our plantation forests.	This is now scheduled to be completed by 31 December 2010.	Reviewed as required.	Reviewed as required.
A product which is saleable on local and international markets.	Our projected annual harvesting targets are met within a tolerance of 15%.	This target was not achieved in the current year. An updated cut plan had revised the harvesting tonnage for the year to 19,000 tonnes (against an original budget of 23,000 tonnes). Harvesting was centred at Rabbit Island including a small job at Greenslade Park. Total harvested volume was 19,679 tonnes. The remaining tonnes are scheduled to be harvested in the 2010/2011 year.	Present predictions are that this performance measure will be achievable.	Achieved.
Our forestry operations will be managed on a commercial basis recognising any component of public good.	A business plan for forestry has been approved and implemented by the Council.	A business plan for forestry is scheduled for the near future.	The plan will be reviewed as required.	Business plan will be reviewed as required.

Major activities

- Planting, tending and harvesting of exotic forests.

Council Enterprises (cont.)

Cost of Service Statement (including an allowance for inflation)

Forestry	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
Fees & Recoveries	787,680	946,949	2,003,051
TOTAL INCOME	787,680	946,949	2,003,051
OPERATING COSTS			
Rabbit Island	617,172	117,331	704,071
Borlase Forest	164,096	79,658	589,548
Tunnickliff Forest	23,222	2,178	21,778
Eves Valley	5,763	886	5,786
Howard Valley	108,312	2,886	50,886
Sherry River	104,876	45,600	63,081
Kingsland	79,529	24,796	60,229
General	241,996	307,415	220,664
TOTAL OPERATING COST	1,344,966	580,750	1,716,043
NET COST OF SERVICE (SURPLUS)	557,286	(366,199)	(287,008)
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	557,286	(366,199)	(287,008)
Transfer to Parks & Reserves Account	145,000	159,596	145,000
Contribution to General rates	275,000	550,000	450,000
	977,286	343,397	307,992
SOURCE OF FUNDS			
Restricted Reserves Applied	977,286	343,397	307,992
	977,286	343,397	307,992

ii. Property

What we do

This activity encompasses the provision of property related services to the Council. This includes:

- The provision of facilities for Council's properties (libraries and administration offices), their management, maintenance and development.
- The acquisition and disposal of property for Council purposes.
- The management, maintenance and development of Council's commercial property portfolio.
- The provision of property services to other activities of the Council including lease and rental services, property valuation services, property advisory services and the provision of a council property register.
- Property associated with infrastructural assets.

Why we do it

The Council is the owner or custodian of a substantial property portfolio and has identified the need for quality property services and professional expertise within the Council to meet its on-going property requirements.

Contribution to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our growing and sustainable economy provides opportunities for us all in the Tasman District.	We will support the development or sale of Council property where appropriate to provide business or employment opportunities.
Our vibrant community is safe, well, enjoys an excellent quality of life and supports those with special needs.	Our offices and Libraries and other public facilities will be accessible for persons with disabilities, and will provide a safe and welcoming environment.
Our built urban and rural environments are functional, pleasant, safe and sustainably managed.	The activity can be managed so the impact of any property development upon the environment is minimised and any future developments have environment sustainability as an expectation.

Council Enterprises (cont.)

Our goal

We aim to provide quality and timely services for Council and Council facilities, which satisfy community needs and expectations.

Changes from the Ten Year Plan

There are no changes from the Ten Year Plan for the property activity over the coming year.

Our level of service – What the Council will do and how it will measure performance over the 10 years from 2009-2019

Levels Of Service (We provide)	We will know we are meeting the Level Of Service if...	Current Performance	Forecast Performance Years 1 - 3	Forecast Performance By Year 10
Effective management of Council property services to enable other council activities to carry out their functions.	Other departments reasonable expectations of the property services are delivered as measured by a three yearly survey of selected customers.	This target has not been measured. The target is scheduled to be measured for the 2010/2011 Annual Report.	70% of customers surveyed are fairly or very satisfied.	70% of customers surveyed are fairly or very satisfied.
Buildings and property services that comply with legislative and resource and building consent requirements.	All buildings meet all legislative, resource consent and building consent requirements.	100% compliance.	100% compliance.	100% compliance.

Major activities

- Facilities management and maintenance of Council properties and buildings.
- Maintenance of leases and management of Council properties.
- Property acquisition for asset management.

New capital expenditure

- The development, sale or leasing of Tourism Services zoned land at Champion Road Richmond and land at Port Mapua.
- The proposal to sell the freehold of certain endowment lands.
- Expansion or refurbishment of the Main Office at Richmond to provide for growth.

Cost of Service Statement (including an allowance for inflation)

Property	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
INCOME			
General Rates	510,599	541,983	712,891
Fees & Recoveries	1,017,685	890,712	1,194,895
Sundry Income	28,710	36,082	30,650
TOTAL INCOME	1,556,994	1,468,777	1,938,436
OPERATING COSTS			
Operational Property	519,063	468,736	548,355
Commercial Property	479,071	533,428	514,144
Loan Interest	294,621	233,472	446,068
Depreciation	137,546	122,114	128,664
TOTAL OPERATING COST	1,430,301	1,357,750	1,637,231
NET COST OF SERVICE (SURPLUS)	(126,693)	(111,027)	(301,205)
TOTAL FUNDS REQUIRED			
NET COST OF SERVICE (SURPLUS)	(126,693)	(111,027)	(301,205)
Capital	1,815,390	36,205	2,153,734
Loan Principal	237,611	196,936	281,135
	1,926,308	122,114	2,133,664
SOURCE OF FUNDS			
Loans Raised	1,788,762	-	2,005,000
	1,788,762	-	2,005,000
NON FUNDED DEPRECIATION			
Depreciation to be funded at income statement level	137,546	122,114	128,664
	137,546	122,114	128,664
	1,926,308	122,114	2,133,664



Brightwater

Council Enterprises (cont.)

iii. Council controlled organisations

What we do

Council invests in the following Council Controlled Organisations (CCOs) to assist it to achieve its objectives. The CCOs, listed below, independently manage facilities, deliver services, and undertake developments on behalf of Council:

- Nelson Airport Limited
- Tasman Bays Heritage Trust
- Tourism Nelson Tasman Limited
- Port Nelson Limited

Our levels of service

Our levels of service are linked to the following community outcomes:

- Our unique and special natural environment is bountiful, healthy, clean and protected.
- Our transport and essential services are sufficient, efficient and sustainably managed.
- Our growing and sustainable economy provides opportunities for us all.

Nelson Airport Ltd

Nature of the CCO

This Company was established as the successor to the Nelson Regional Airport Authority. The Company provides for the efficient and economic management of Nelson Airport, which is acknowledged as the fourth busiest commuter airport in New Zealand. The key objectives of the Company, as detailed in its Statement of Intent, include:

- To provide facilities and services at fair market price.
- To ensure the full operating potential of the airport is maintained so that it continues to meet the needs of the region as it grows.
- To exhibit a sense of social and environmental responsibility by providing for the present and future needs of the airport users, including recreational users, in ways that are sensitive to the needs of the community.

Our investment in the CCO

The Tasman District Council holds 50 percent of the shares in this entity. Nelson City Council holds the other 50 percent. Council intends to maintain its 50 percent investment in the Company and aims, with Nelson City Council, to retain effective local body control of this strategic investment.

The current dividend policy of the company is that the company will endeavour to pay an annual dividend of 5 percent of the opening shareholder funds for that year. Under this policy Council has budgeted to receive \$222,000 during the 2011/2012 financial year with incremental increases in subsequent years. Council makes no financial contribution to Nelson Airport Ltd.

The value of Council's shareholding in Nelson Airport Ltd at 30 June 2010 was \$6.2 million.

Currently five Directors sit on the Board of Nelson Airport Ltd. Mr M Higgins is the Council appointed director on the Board.

Performance Targets

The key performance targets identified in the company's Statement of Intent are:

- To hold regular meetings of the Nelson Airport Noise Environment Advisory Committee and provide this committee with the appropriate monitoring information.
- Ensure the company complies with all employment related legislation.
- To pass all Civil Aviation certification audits at a satisfactory standard.
- Achieve agreed Financial Performance Targets.

Tasman Bays Heritage Trust

Nature of the CCO

The Tasman Bays Heritage Trust provides for a high-quality exhibition, preservation, educational, and research facility emphasising the history of our region. The Nelson Provincial Museum is located in Trafalgar Street, Nelson.

Council Enterprises (cont.)

Our investment in the CCO

This financial year Council will make a grant to the Tasman Bays Heritage Trust of approximately \$787,900 to assist with the operation of the Nelson Provincial Museum. This contribution will also support the retention of storage facilities at the current museum site in Isel Park, Stoke. Council provides new storage facilities at Wakatu Estate for the museums use at no cost to the Trust, but which is costing Council an additional \$65,690 in 2011/2012. Council is also providing the Trust an interest-free loan valued at \$86,400.

The value of Council's investment in Tasman Bays Heritage Trust as at 30 June 2010 was \$7.3 million.

Performance Targets

The principal objectives of the Trust as detailed in its Statement of Intent include:

- Foster, promote and celebrate a sense of history and awareness of the importance of the Nelson and Tasman regions heritage and identity and the relationship of the Tangata Whenua as kaitiaki of taonga Maori within the role of Te Tai Ao.
- Be a good employer.
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage those when able to do so.
- Conduct all trading affairs in accordance with sound business practice.

Tourism Nelson Tasman Ltd (trading as Nelson Tasman Tourism)

Nature of the CCO

This Company was established on 1 July 1994 for the purpose of promoting and marketing tourism activities in the region to the potential tourism markets throughout New Zealand, the Pacific Basin, and globally.

Our investment in the CCO

Tasman District Council holds 50% of the shares in this entity, with Nelson City Council holding the other 50 percent.

Council's financial contribution towards the administration and operation of the Company and the five visitor information centres within Tasman District will be around \$412,340 during the 2011/2012 financial year. This amount is made up of \$314,253 from general rates and \$98,087 from a targeted rate on tourism related businesses. Council is not planning to receive a dividend from this Company for the 2011/2012 financial year.

There are currently four Directors of Tourism Nelson Tasman Ltd.

Performance Targets

The Company's key objectives identified in the Company's Statement of Intent are:

- To increase the total economic value and total spend the region derives from tourism.
- To operate within the budgets agreed with the shareholders.
- To provide comprehensive, objective information which meets visitors expectations.
- To improve the reputation of Nelson/Tasman as a visitor friendly destination.
- To improve the regions extreme tourism seasonality pattern.

Port Nelson Ltd

Port Companies are not classified as Council Controlled Organisations under the Local Government Act 2002.

Council is a 50 percent shareholder in this Company, with Nelson City Council holding the other 50 percent shareholding. This Company is regarded by Council as a strategic investment and is noted for its efficient and flexible operations.

The company's Mission Statement states that it will operate a successful business providing cost-efficient, effective and competitive services and facilities for port users and shippers. It will provide for the present and future needs of the company in ways that are sensitive to people, uses resources wisely, and are in harmony with an environment of an export port. Port Nelson Ltd provides for the efficient and economic passage of cargo through Port Nelson and acknowledges its part in maintaining and improving the economic prosperity of the Nelson Tasman Region.

Performance Targets

Performance targets identified in the company's Statement of Intent include its desire to:

- Have a lost time injury frequency rate of less than 1.5 percent.
- To pay a dividend of \$4.2 million to its shareholders.
- Debt equity ratio not to exceed 40:60.
- To fully comply with NZ Maritime Safety requirements in respect of dredged channels compliant with charts, navigation aids, and pilotage.
- To disclose breaches of noise level guidelines.
- To meet stated cargo tonnages and numbers of ships.

The current dividend policy of the company is that a dividend of at least 50 percent of net profit after tax will be returned to shareholders annually. Under this policy Council has budgeted to receive \$2.1 million in the 2011/2012 financial year. Council makes no financial contribution to Port Nelson Ltd. The value of Council's shareholding in Port Nelson Ltd at 30 June 2010 was \$66.9 million.

Currently the Port Nelson Board has six Directors. Cr Tim King is the Council appointed director on the Board.



Part 3 – Facilities Rate and Reserve Financial Contribution Projects

Facilities Rate

Council introduced the concept of a Community Facilities Rate in the 2003/2004 financial year to provide a unique funding source for a wide range of community, recreational, sporting and cultural projects that were being proposed throughout the District for the benefit of residents.

Completed projects that have been funded to date by the Community Facilities Rate include:

- The Rotoiti Community Hall.
- The Moutere Hills Community Centre.
- ASB Aquatic Centre.
- The Grandstand at Sports Park Motueka.
- Motueka Recreation Centre upgrade.
- Purchase of sportsfield land at Motueka.
- The Murchison Sport, Recreation and Cultural Centre.
- The Tasman Tennis Centre upgrades and new courts.
- A contribution to the Maruia Hall.
- The purchase of 3000 temporary seats for use at various sporting and other events.
- Contributions under an agreed funding formula for ongoing developments at Saxton Field.
- Contributions to the upgrade of the Theatre Royal and to the upgrade of the Trafalgar Centre.

In 2005 Council split the Community Facilities Rate into a District Facilities Rate and a Regional Facilities Rate to cover the wide range of projects both within the Tasman District and also in Nelson City. Council proposes to continue with the two Facilities Rates covering both the previous District and Regional Facilities. However the Regional Facilities will be renamed Shared Facilities as this recognises that most of the regional facilities are actually shared facilities that are used by many residents of both districts. Each of these rates is charged on all properties within Tasman District.

Council also has a Community Facilities Operating Rate, which provides funding to assist with the operating costs of the following community facilities:

- Moutere Hills Community Centre.
- Motueka Recreation Centre.
- ASB Aquatic Centre.
- Murchison Sport, Recreation and Cultural Centre.
- Rotoiti Community Hall.
- Saxton Field Stadium.

Council introduced the concept to provide a unique funding source for a wide range of community, recreational, sporting and cultural projects...

District Facilities Rate

Projects

(note: all rate figures listed in this section include an allowance for inflation and are exclusive of GST.)

Motueka swimming pool

In the Ten Year Plan a \$3.5 million allocation was budgeted towards a swimming pool facility in Motueka in 2011/2012. It was proposed that this will be a shared facility with another organisation such as a school or other community group. The project will be loan funded. Council is retaining \$750,000 in the 2011/2012 year as a contribution towards design work. Council has deferred the remaining \$2.75 million until the 2012/2013 year. The rating impact for the 2011/2012 year is likely to be about \$2.75 per rateable property from 1 July 2011.

Funding for this project is a guide only and any final allocation of funds will be subject to Council approval of the project.

Mapua Public Hall

In the Ten Year Plan an allowance of \$875,864 was made in 2011/2012 towards the cost of a major upgrade or replacement of this community facility. The project will be loan funded. Council has provided in the 2011/2012 budget up to \$65,000 for the specific purpose of preparing building plans to enable the work to go to tender. The remaining funding will be deferred until 2012/2013. This hall is owned by the Mapua Public Hall Society Incorporated.

Funding for this project is a guide only and any final allocation of funds will be subject to Council approval of the project.

Proposed future projects

Golden Bay community facility

An allowance of \$3.4 million has been made in 2012/2013 towards the cost of a new community facility in Golden Bay. The project will be loan funded and the rating impact is likely to be about \$15.54 per rateable property from 1 July 2012.

Funding for this project is a guide only and any final allocation of funds will be subject to the outcomes of a feasibility study and public consultation, and Council approval of the project.

Council halls upgrades

Allowances of \$1.13 million in 2012/2013 and a further \$1.3 million in 2017/2018 have been made towards upgrades of existing Council owned halls such as Wakefield and Brightwater. This work will be loan funded and the rating impact is likely to be about \$4.14 per rateable property from 1 July 2012 and a further \$4.77 per rateable property from 1 July 2017.

Funding for these projects is a guide only and any final allocation of funds will be subject to Council approval of the project.



Shared Facilities Rate

Projects

(note: all rate figures listed in this section include an allowance for inflation and are exclusive of GST.)

Saxton Field continued development

In conjunction with Nelson City Council, Saxton Field is continuing to be developed and this work is expected to continue over the next 8 years as new areas are developed and opened up for public use. The total cost to Tasman District of this work is expected to be approximately \$4.9 million by 2018/2019. The work will be loan funded and the rating impact in 2011/2012 is \$12.42.

Motorsport park

In the Ten Year Plan an allowance of \$630,500 was made in 2010/2011 towards the cost of providing a motorsport facility within the District. As Council has not yet made a final decision to contribute funding towards a motorsport facility in the District, it is proposing to defer the funding of this project until 2012/2013. The reasons for the deferral are to reduce the overall rates increase for ratepayers in the 2011/2012 year, and because the timing of the project means the funding, if allocated, is more likely to be required in the 2012/2013 year.

Funding for this project is a guide only and any final allocation of funds will be subject to Council approval of the project.

Rowing/watersports complex

A proposal for a rowing/watersports venue is currently being investigated by the Tasman Aquatic Multisport Trust for the District.

While no funding has been allocated at this time, Council has indicated general support for the concept, recognising the potential economic and recreational benefits for the community. A feasibility study, subject to criteria to the satisfaction of Council, needs to be completed. If satisfied with the feasibility study, Council will undertake public consultation on the proposal and reconsider any funding to be allocated to the project.

Cycling track – Saxton Field

An allowance of \$526,000 has been made in 2011/2012 towards the total costs of constructing a cycling track. This will be loan funded and the rating impact is likely to be about \$0.95 per rateable property from 1 July 2011, increasing to about \$1.95 per rateable property from 1 July 2012.

Funding for this project is subject to NCC also providing funding for this project.

Reserve Financial Contributions

How funds are received

All new subdivisions, from one new lot up to hundreds of new lots, are required to pay Reserve Financial Contributions for reserves and other Council facilities. Reserve Financial Contributions are based on 5.5 percent of the value of all new allotments, less the value of any land taken for reserves or walkways. Credits are also given in some cases for work that is carried out on these areas of land, over and above levelling and grassing. Examples of such credits would be children's play equipment and formation of paths.

Reserve Financial Contributions are also payable as a percentage of the cost of some large constructions. For example, new factories and commercial premises.

All Reserve Financial Contributions received must be separately accountable and the Council keeps Reserve Financial Contributions received in four separate accounts as follows:

- Golden Bay Ward
- Motueka Ward
- Moutere/Waimea and Lakes/Murchison Wards
- Richmond Ward

Income in each of these accounts varies considerably from year to year, depending on the demand for new sections and the availability of land for development. Estimated Reserve Financial Contributions total income for the 2011/2012 financial year is \$970,000. The income from last year was much lower than estimated, therefore, the opening balances in these accounts are less than shown in the Ten Year Plan and last year's Annual Plan.

What the Reserve Financial Contributions can be used for

Strict criteria apply to the use of Reserve Financial Contributions with use being in the main restricted to:

- Land purchase for reserves
- Capital improvements to reserves
- Other capital works for recreation activities

Allocation of Funds

Each year as part of the Council's Ten Year Plan review or Annual Plan process, a list of works in each of the four Reserve Financial Contributions accounts is produced by staff and these include requests received from Council's Reserve and Hall Management Committees and other organisations that are recreation related.

These requests are considered by the Community Boards in Golden Bay and Motueka, and the Ward Councillors for each of the four ward groupings listed above. Recommendations are then forwarded to the Council's Community Services Committee for approval before being included in the draft Ten Year Plan or Annual Plan.

Changes from the Ten Year Plan

Due to the slow down in subdivision activity across the District, Council has received less money into its Reserve Financial Contributions accounts than anticipated in the Ten Year Plan. As a result, Council, in association with the Golden Bay and Motueka Community Boards, has re-assessed the priorities and the projects planned for the 2011/2012 year.

The projects deleted or deferred are:

- Funding for upgrading the small wharves in Golden Bay (\$54,742).
- New toilets in the Motueka Ward (\$54,854).
- New toilets (\$43,713) and tennis court resurfacing or new courts (\$82,912) in the Waimea/Moutere and Lakes/Murchison wards.
- Rabbit Island development (\$21,942).
- Picnic Area at Aniseed Valley (\$10,928).
- Toilets at Ben Cooper Park/Cemetery (\$142,620).
- Estuary reserve land purchase (\$197,474).

The new projects are:

- Artwork in Motueka (\$20,000).
- Motueka Cemetery (\$10,000).
- Motueka Library extension investigation (\$20,000).
- Cemetery development in the Waimea/Moutere and Lakes/Murchison wards (\$10,000).
- Dominion Road wetland (\$30,000).
- Motueka Museum weatherproofing (\$25,000).

Reserve Financial Contributions (cont.)

- Golden Bay Tennis shade sails (\$1,500).
- Ligar Bay beach development (\$10,000).
- Murchison Pony Club shed extension (\$8,000).
- Tasman Reserve BMX track (\$8,000).
- Nelson A&P Association historic building upgrade (\$5,000).

Tables of the proposed expenditure of the Reserve Financial Contributions for each of the four ward groupings follow.

District Wide Reserve Financial Contributions	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
PROJECTS			
Management Plans	5,334	5,474	5,474
Consultant Fees	26,672	21,897	30,000
Library Books	53,344	54,742	54,742
Protected Trees/Tree Policy	10,000	-	-
GOLDEN BAY WARD			
Halls and Reserves	74,917	49,177	40,000
Revegetation Work	21,296	21,856	21,856
MOTUEKA WARD			
Halls and Reserves	49,972	32,785	40,000
Revegetation Work	15,972	16,392	16,392
MOUTERE/WAIMEA AND LAKES/MURCHISON WARDS			
Halls and Reserves	82,524	87,426	75,000
Revegetation Work	21,296	21,856	21,856
RICHMOND WARD			
Halls and Reserves	25,296	21,856	20,000
Revegetation Work	21,296	21,856	21,856
Valuation Costs	-	-	10,000
Reserve Contribution Overheads	-	-	177,336
Loan interest and principal	-	-	31,135
TOTAL EXPENDITURE	407,919	355,317	565,647
Estimated Opening Balance (Revised for Annual Plan)	(39,874)	127	4,523
General Rate Allocation	277,316	306,544	306,544
Transfer from Ward Accounts	175,000	54,742	208,445
Sundry income	-	-	54,734
	412,442	361,413	574,246
Expenditure	407,919	355,317	565,647
ESTIMATED CLOSING BALANCE	4,523	6,096	8,599

Golden Bay Reserve Financial Contributions	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
PROJECTS			
WALKWAYS/CYCLEWAYS			
General	85,186	87,426	60,000
East Takaka Walkway/Cycleway	25,000	-	-
SPORTS FIELDS			
Golden Bay Recreation Reserve	15,977	-	-
PICNIC AREAS			
Ligar Bay Beach Development	-	-	10,000
GARDENS			
Art Works	10,000	16,392	16,392
General	-	21,856	21,856
PLAYGROUNDS			
General – New reserves etc	63,908	43,883	65,000
TOILETS			
Labyrinth Rocks	20,000	-	-
General	41,000	87,766	60,000
CEMETERIES			
General	10,648	-	-
COASTCARE			
General	53,344	54,742	54,742
MISCELLANEOUS			
School Pools – Upgrades	64,013	-	-
Small Wharfs – Rebuilding	74,682	54,742	-
Interpretation Panels	10,648	-	-
Security Cameras	20,000	-	-
Takaka Drama Society roof replacement	40,000	-	-
Golden Bay Tennis – shade sails	-	-	1,500
Transfer to District-wide Financial Contributions	55,000	14,233	43,444
Loan interest and principal	-	-	7,716
TOTAL EXPENDITURE	600,054	381,040	340,650
Estimated Opening Balance (Revised for Annual Plan)	734,786	100,287	379,908
Projected Income	225,000	328,644	130,000
	959,786	428,931	509,908
Expenditure	600,054	381,040	340,650
ESTIMATED CLOSING BALANCE	359,732	47,891	169,258

Reserve Financial Contributions (cont.)

Motueka Reserve Financial Contributions	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
PROJECTS			
WALKWAYS/CYCLEWAYS			
General	46,954	32,912	32,912
Tapu/Stephens Bay	21,296	21,856	21,856
SPORTS FIELDS			
Memorial Park landscaping/fence	40,000	-	-
Sports Park Motueka Carpark etc	103,257	-	-
Riwaka Rugby (DSIR) Grounds	10,669	-	-
PICNIC AREAS			
General	-	-	10,000
Drinking Fountains	6,000	-	-
Beach Reserves	21,303	21,942	21,942
Motueka Quay – Carparking etc	20,977	-	-
Tapu Bay Development	21,303	-	-
GARDENS			
Pethybridge Rose Garden	5,324	-	-
Goodman Ponds	-	10,928	10,928
Art Work	7,986	-	20,000
PLAYGROUNDS			
General – New reserves etc	47,931	-	54,854
Old Wharf Road Youth Park	-	54,854	-
TOILETS			
Tapu Bay	20,000	-	-
General	-	54,854	-
CEMETERIES			
General	-	-	10,000
Fletts Road Cemetery	-	16,392	6,392
COASTCARE			
General	15,972	16,392	16,392
Motueka Foreshore Protection	21,303	21,942	21,942

Motueka Reserve Financial Contributions	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
PROJECTS			
NEW RESERVES			
Land/Property Purchase	250,000	-	-
MISCELLANEOUS			
Keep Motueka Beautiful – Project support	11,202	11,496	11,496
Motueka Clock Tower Trust – Loan	8,002	8,211	8,211
Security Cameras	5,326	-	-
Imagine Theatre – New Work	-	47,174	20,000
Future Planning	10,669	10,948	10,948
Motueka Quay Wharf Repair	21,296	21,856	21,856
Library Extension Investigation	10,000	-	20,000
Motueka Museum – weatherproofing	-	-	25,000
Transfer to District Wide Financial Contributions	50,000	9,306	45,741
Loan interest and principal	-	-	38,309
TOTAL EXPENDITURE	776,770	361,063	428,779
Estimated Opening Balance (Revised for Annual Plan)	713,057	216,952	316,287
Projected Income	220,000	301,257	220,000
	933,057	518,209	536,287
Expenditure	776,770	361,063	428,779
ESTIMATED CLOSING BALANCE	156,287	157,146	107,508

Reserve Financial Contributions (cont.)

Moutere/Waimea and Lakes/ Murchison Reserve Financial Contributions	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
PROJECTS			
WALKWAYS/CYCLEWAYS			
Wakefield/Brightwater	21,296	-	-
Rural 3 Areas	21,303	21,942	21,942
Mapua District	10,648	10,928	10,928
Miscellaneous	53,257	54,854	40,000
SPORTSFIELDS			
Murchison – Road Sealing, Pony Club shed, etc.	30,651	-	8,000
Lord Rutherford Development	45,651	21,942	21,942
Upper Moutere Cricket Wicket	7,500	-	-
Mapua Skatepark extension	60,000	-	-
Tapawera – sealing walkway bridge	-	-	5,000
PICNIC AREAS			
General	-	10,928	10,928
Murchison War Memorial	10,000	-	-
Faulkner Bush	10,648	-	-
Rabbit Island Sails etc	20,648	-	-
Waimea River Park	10,648	27,321	10,000
GARDENS			
Murchison Playground	8,519	-	-
Brightwater Village Green	-	98,737	98,737
General	10,648	10,928	10,928
PLAYGROUNDS			
General – New Reserves etc	42,605	43,883	43,883
McKee Reserve and Mapua Reserve upgrades	60,000	-	-
TOILETS			
Waterfront Park	106,513	109,708	109,708
Hoddy Reserve	35,000	-	-
General	-	43,713	-
TENNIS COURTS			
Wakefield Tennis Resurfacing	30,000	-	-
General resurfacing/new	-	82,912	-
CEMETERIES			
General	15,648	-	10,000

Moutere/Waimea and Lakes/ Murchison Reserve Financial Contributions	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
PROJECTS			
COASTCARE			
General	36,621	27,321	20,000
NEW RESERVES			
Wetland – Dominion Road	35,000	-	30,000
HALL TRUSTS			
Miscellaneous	5,326	32,912	5,000
MISCELLANEOUS			
Old Mill Walkway Stopbank Contribution	150,000	-	-
Mapua Waterfront Park \$1 million	532,565	-	-
BMX Tracks/Pump Tracks (Tasman)	15,000	-	8,000
Rabbit Island Development / Roading	-	21,942	-
Equestrian Park Development	36,003	-	-
Murchison Golf Club land development	16,003	-	-
Rotoiti Hall Carpark	31,303	-	-
Kina Beach Reserve – Bridge	35,000	-	-
Totaradale Golf Club – Irrigation	28,000	-	-
Murchison Reserve culvert	15,000	-	-
Mapua Scouts	7,400	-	-
Mapua Wharf landscaping	15,000	-	-
Wakefield Bowling Club	3,500	-	-
LOAN			
Interest and Principal	79,863	136,605	159,222
Transfer to District Wide Financial Contributions	55,000	25,135	82,018
TOTAL EXPENDITURE	1,718,415	781,711	706,236
Estimated Opening Balance (Revised for Annual Plan)	989,553	148,482	700,000
Loans Raised	532,565	-	-
Projected Income	500,000	602,514	320,000
	2,022,118	750,996	1,020,000
Expenditure	1,718,415	781,711	706,236
ESTIMATED CLOSING BALANCE	303,703	(30,715)	313,764

Reserve Financial Contributions (cont.)

Richmond Reserve Financial Contributions	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
PROJECTS			
WALKWAYS/CYCLEWAYS			
General	106,513	109,708	109,708
Estuary	26,628	27,427	27,427
SPORTS FIELDS			
Training Lights – General	63,908	65,825	65,825
Cricket Nets – Jubilee Park	26,628	-	-
Development of new Sports Fields etc	15,000	-	-
PICNIC AREAS			
Waimea River Park	10,648	27,321	10,000
Aniseed Valley	10,648	10,928	-
Sandeman Carpark	15,000	-	-
GARDENS			
Art Work	5,000	16,392	16,392
Washbourn Gardens – Power Upgrades etc	14,000	16,456	16,456
PLAYGROUNDS			
Chelsea Ave Reserve	53,257	-	54,854
Richmond Pool Site	79,885	-	-
General		54,854	-
TOILETS			
Miscellaneous	21,303	-	-
Ben Cooper / Cemetery	-	142,620	-

Richmond Reserve Financial Contributions	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan Proposed 2011/2012 Budget \$
PROJECTS			
CEMETERIES			
Richmond Cemetery Drive etc	15,000	-	-
MISCELLANEOUS			
Estuary Reserve	-	197,474	-
Security Cameras	10,651	-	-
Reservoir Creek Native Bush	26,621	27,321	27,321
Future Planning	5,334	5,474	5,474
Library Landscaping/Art Work	20,000	-	-
Library Drive-through	45,000	-	-
Aged Concern power upgrade	8,000	-	-
BMX Track	15,000	-	-
Nelson A&P Association – historic building upgrade	-	-	5,000
Transfer to District Wide Financial Contributions	15,000	6,034	37,242
Loan interest and principal	-	-	176,537
TOTAL EXPENDITURE	609,024	707,834	552,236
Estimated Opening Balance (Revised for Annual Plan)	260,164	221,566	490,000
Projected Income	479,817	602,514	300,000
	739,981	824,080	790,000
Expenditure	609,024	707,834	552,236
ESTIMATED CLOSING BALANCE	130,957	116,246	237,764



Part 4 – Accounting Information

Accounting Information

Reporting Entity

The financial forecasts reflect the operations of the Tasman District Council.

Tasman District Council was formed in 1989 as a result of the Local Government Commission's Final Re-organisational Scheme. The resultant Tasman District Council is an amalgamation of the former Waimea County Council, Richmond Borough Council, Motueka Borough Council and Golden Bay County Council.

In 1992 Council assumed the responsibilities of the former Nelson Marlborough and West Coast Regional Councils within its boundaries to become a Unitary Authority.

Statement of Compliance and Basis of Preparation

The forecast information has been prepared and complies with Section 111 of the Local Government Act 2002, the Financial Reporting Act 1993, Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and the pronouncements of the New Zealand Institute of Chartered Accountants.

The Tasman District Council is a Public Benefit Entity whose primary objective is to provide goods and services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return. All available reporting exemptions allowed under the framework for Public Benefit Entities have been adopted.

The financial statements are presented in New Zealand Dollars (NZD). The functional currency of the Council is New Zealand dollars.

Measurement Base

The measurement base adopted is that of historical cost, except for land, buildings, forest assets and infrastructural assets which have been valued separately as noted below.

Statement of Prospective Financial Information

The financial information contained within this document is prospective financial information in terms of Financial Reporting Standard 42. The purpose for which it has been prepared is to enable the public to participate in the decision-making processes as to the services to be provided by the Tasman District Council to the Tasman communities over the financial year 2011/2012.

The assumptions underlying the preparation of this prospective financial information are adjusted to incorporate significant known variances as at June 2011. No actual results have been incorporated in this prospective financial information.

Basis of Financial Statement Preparation

The financial statements are prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and

The Tasman District Council is a Public Benefit Entity whose primary objective is to provide goods and services for community or social benefit...

liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

The preparation of financial statements in conformity with New Zealand International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

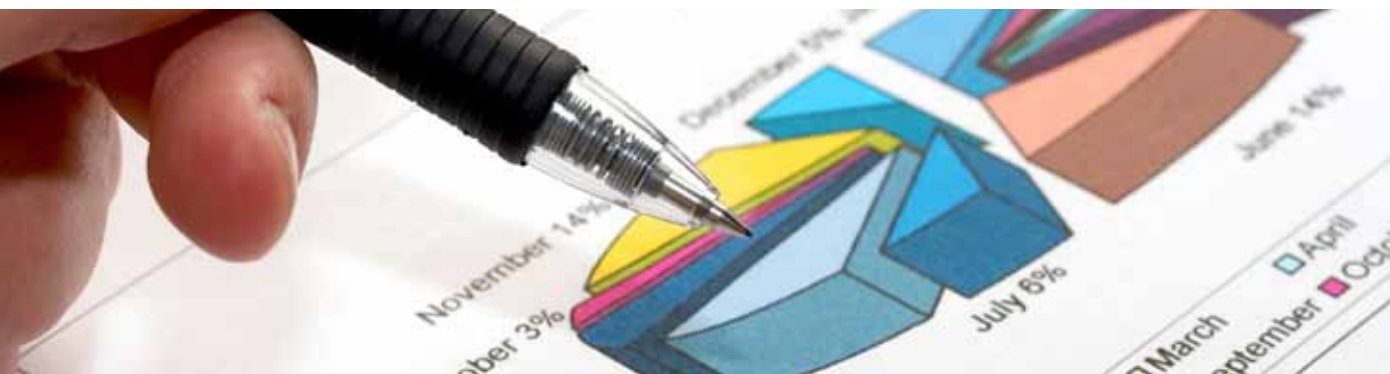
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The main purpose of prospective financial statements in the Annual Plan is to provide users with information about the core services that the Council intends to provide to ratepayers, the expected cost of those services and, as a consequence, how much the Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries except to the extent that Council obtains distributions from, or further

invests in, those subsidiaries. Such effects are included in the prospective financial statements of Council.

A Cautionary Note

The actual results achieved for the financial year 2011/2012 are likely to vary from the information presented and may vary materially depending upon the circumstances that arise during the period. The prospective financial information is prepared in accordance with Section 93 of the Local Government Act 2002. The information may not be suitable for use in any other capacity.



Accounting Policies

Revenue Recognition

Revenue is recognised on an accrual basis. The following particular policies apply:

- Rates are recognised on instalment notice.
- Water billing revenue is recognised on an accrual basis with unread meters at year end accrued on an average usage basis.
- New Zealand Transport Agency revenue is recognised on entitlement when conditions pertaining to eligible expenditure are fulfilled.
- Rental income from investment property is recognised in the income statement on a straight line basis over the terms of the lease. Lease incentives granted are recognised as an integral part of the total rental income.
- Grants from the Government are recognised at their fair value where there is reasonable assurance that the grant will be received.
- Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service that gave rise to the charging of the contribution. Otherwise, development and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.
- Interest is recognised using the effective interest method.
- Dividends are recognised when the right to receive payment has been established.
- Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in the Council are recognised as revenue when control over the asset is obtained.

The Tasman District Council collects monies for many organisations. Where collections are processed through the Tasman District Council's books, any monies held are shown as liabilities in the Balance Sheet. Amounts collected on behalf of third parties are not recognised as revenue, but commissions earned from acting as agent are recognised in revenue.

Trade and other Receivables

Trade and other receivables are initially measured at fair value. They are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Debtors have been valued at estimated net realisable value, after providing for doubtful and uncollectable debts.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Inventories held for distribution at no charge, or for a nominal amount, are stated at the lower of cost and current replacement cost.

Works in Progress

Work in progress is valued at the lower of cost and net realisable value.

Expenditure

Expenditure is recognised when the service has been provided or the goods received or when it has been established that rewards of ownership have been transferred from the seller/provider to the Council and when it is certain the obligation to pay arises.

Leases

Finance leases transfer to the lessee substantially all of the risks and rewards of ownership. At inception, finance leases are recognised as assets and liabilities on the Balance Sheet at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset. Assets leased under a finance lease are depreciated as if the assets are owned.

Operating leases, where the lessor substantially retains the risks and rewards of ownership, are recognised in the surplus or deficit in a systematic manner over the term of the lease. Lease incentives are recognised in the surplus or deficit as a reduction in rental expense.

Borrowing costs

Borrowing Costs are recognised as an expense in the period in which they are incurred.

Taxation

Council's income tax expense comprises the total amount included in the determination of surplus or deficit for the period in respect of current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year (using tax rates enacted or substantially enacted at balance sheet date) together with any adjustment of tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method and applied on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of the assets and liabilities.

The enactment of tax rates and legislation at balance sheet date determine the application of deferred tax and applies when the related deferred tax asset is realised or when deferred tax liability is settled.

Deferred tax is not accounted for if an asset or liability of a non-business transaction does not affect either accounting profit or taxable profit. Similarly, deferred tax is not accounted for on temporary differences associated with investments in subsidiaries, branches, associates and joint ventures where the reversal of the temporary difference is controlled by Council, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable future taxable profit will be available against which deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Investments

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. After initial recognition they are measured at fair value. Gains or losses on measurement are recognised in the surplus or deficit.

Loan Advances and Receivables

Loan advances and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method. Gain or loss on impairment or de-recognition are recognised in the surplus or deficit.

Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. After initial recognition they are measured at amortised cost using the effective interest method. Gain or loss on impairment or de-recognition are recognised in the surplus or deficit.

Community loans are held-to-maturity assets and are stated at fair value.

Accounting Policies (cont.)

Financial Assets at fair value through comprehensive income

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every balance date.

Intangible Assets

Computer Software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

Costs associated with maintaining computer software (including the annualised licence) programmes are recognised as an expense as incurred.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Tasman District Council, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives. The useful lives and associated amortisation rates of computer software have been estimated at three years (33 percent).

Subsequent Expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates, and it meets the definition of, and recognition criteria for, an intangible asset. All other expenditure is expensed as incurred.

An intangible asset with an indefinite useful life is not amortised, but is tested for impairment annually, and is carried at cost less accumulated impairment losses.

Property, Plant and Equipment

Property, Plant and Equipment

Property, Plant and Equipment consist of:

Operational Assets – these include land, buildings, computers and office equipment, building improvements, library books, plant and equipment, forestry and motor vehicles.

Restricted Assets – assets owned or vested in Council which cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

Revaluation

It is Council's intention to revalue all property plant and equipment with the exception of vehicles, computers, plant, library books, aerodromes and office equipment, no more than every three years.

Revaluation increases and decreases relating to individual assets within a class are offset. Revaluation increases and decreases in respect of different classes are not offset.

The following assets will be revalued on a two yearly basis:

- Roading
- Stormwater
- Solid Waste
- Water Supply
- Wastewater
- Rivers
- Coastal Structures
- Land and Buildings

The anticipated results of the revaluations have been included in the Annual Plan.

Infrastructural Assets

Infrastructural assets are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function, e.g. sewerage reticulation includes reticulation piping and sewerage pump stations.

Costs incurred in obtaining any resource consents are capitalised as part of the asset to which they relate. If a resource consent application is declined then all capitalised costs are written off in the current period.

Depreciation

Depreciation is provided on a straight line basis on all assets at rates which will write off the cost (or valuation) of the assets to their estimated residual values, over their useful lives.



Lake Rotoiti



Marahau



Murchison

Accounting Policies (cont.)

These assets have component lives that have been estimated as follows:

Land	Not Depreciated
Buildings (including fit out)	10-100 years
Plant and Equipment	5-10 years
Motor Vehicles	5-10 years
Library Books	5-10 years

Infrastructure Assets

Transportation	
Bridges	50-100 years
Roads	2-80 years
Formation	Not Depreciated
Sub-base (sealed)	Not Depreciated
Basecourse (sealed)	65-75 years
Surfaces	2-50 years
Carparks - components	8-45 years
Carparks - formation	Not Depreciated
Footpaths	5-50 years
Pavement base (unsealed)	Not Depreciated
Drainage	15-80 years
Wastewater	
Oxidation Ponds	Not Depreciated
Treatment	9-100 years
Pipe	50-80 years
Pump Stations	20-80 years
Water	
Wells and Pumps	10-80 years
Pipes/Valves/Meters	15-80 years
Stormwater	
Channel/Detention Dams	Not Depreciated
Pipe/Manhole/Sumps	80-120 years
Ports and Wharves	7-100 years
Aerodromes	10-80 years
Solid waste	15-100 years

Rivers	
Stop Banks	Not Depreciated
Rock Protection	Not Depreciated
Willow Plantings	Not Depreciated
Gabion Baskets/Outfalls	30-60 years
Railway Irons	50 years

Library Books

Adult and Technical Books	10 years
Children's Books	5 years
CDs and talking books	2 years

Impairment

The carrying amounts of Council's assets, other than investment property, inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the surplus or deficit. Impairment losses on re-valued assets offset any balance in the asset revaluation reserve, with any remaining impairment loss being posted to the surplus or deficit.

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

Vested Assets

Vested assets are assets vested in Council as a result of subdivision activity. Council has made an estimate of the likely value of assets that will be vested in any one year. This estimate is based upon an assessment of typical vested assets underpinned by Council's future growth study.

Accounting Policies (cont.)

Forest Assets

Forest assets are predominantly standing trees which are managed on a sustainable yield basis. These are shown in the Balance Sheet at fair value less estimated point of sale costs at harvest. The costs to establish and maintain the forest assets are included in the Income Statement together with the change in fair value for each accounting period.

The valuation of the Tasman District Council's forests is based on the present value of expected discounted cash flow models where the fair value is calculated using cash flows from continued operations, based on sustainable forest management plans taking into account growth potential. Forest assets are valued separately from the underlying freehold land.

GST

All figures are GST exclusive except receivables and payables which are stated with GST included.

Contract Retentions

Certain contracts entitle Council to retain amounts to ensure the performance of contract obligations. These retentions are recognised as a liability and are then used to remedy contract performance or paid to the contractor at the end of the retention period.

Overheads

Indirect overheads have been apportioned on an activity basis, using labour cost of full time staff employed in those specific output areas.

Indirect costs not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area.

Investment Properties

Properties that fall within the accounting definition of investment properties are revalued annually at fair value

by an independent registered valuer. The result of the revaluation is credited or debited to the surplus or deficit. There is no depreciation on investment properties.

Properties Intended for Resale

In circumstances where the use of the property changes to being property held for resale the property would be reclassified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Non-current assets would not be depreciated or amortised while they are classified as held for sale.

Provisions

A provision is recognised in the balance sheet when the Council has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation.

Employee Entitlements

Provision is made in respect of Tasman District Council's liability for retiring gratuity allowances, annual and long service leave and sick leave.

The retiring gratuity liability is assessed on an actuarial basis using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. These estimated amounts are discounted to their present value using an interpolated 10 year government bond rate.

Liabilities for accumulating short-term compensated absences (e.g. annual and sick leave) are measured as the amount of unused entitlement accumulated at the balance sheet date that the entity anticipates employees will use in future periods in excess of the days that they will be entitled to in each of those periods.

Landfill After Care Costs

As operator of the Eves Valley and Murchison landfills, the Council has a legal obligation to provide ongoing maintenance and monitoring services at the landfill sites after closure. The landfill post closure provision is recognised in accordance with New Zealand International Reporting Standard 37 Provisions, Contingent Liabilities and Contingent Assets. This provision is calculated on the basis of discounting closure and post closure costs into present day value.

The calculations assume no change in the legislative requirements for closure and post closure treatment.

Equity

Equity is the community's interest as measured by total assets less total liabilities. Public equity is disaggregated and classified into a number of reserves. The components of equity are:

- Accumulated Funds
- Restricted Reserves and Council Created Reserves
- Asset Revaluation Reserve

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or third party.

Council created reserves are reserves established by Council decision. The Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Statement of Cash Flows

Cash and cash equivalents mean cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which council invests, as part of its day to day cash management.

Operating activities include cash received from all income sources and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of the Council.

Cost of Service Statements

The Cost of Service Statements report the net cost of services for significant activities of the Council, and are represented by the costs of providing the service, less all revenue that can be allocated to these activities.

Funding in accordance with the Local Government Act 2002

Council does not fund depreciation at an activity level, but instead funds depreciation at an income statement level.

Section 100(1) of the Local Government Act 2002 requires local authorities to set operating revenues at a level to cover all operating expenses, except as provided in S100(2). Operating expenses include an allowance for debt servicing and for the decline in service potential of assets (depreciation). Council has complied with S100(1) in the preparation of this Annual Plan.

Changes in Accounting Policies

There are no changes to accounting policies.

Accounting Policies (cont.)

Prospective Comprehensive Income Statement	2010/2011 Budget \$ (000's)	Ten Year Plan 2011/2012 Budget \$ (000's)	Annual Plan 2011/2012 Budget \$ (000's)
INCOME			
General rates	27,713	30,008	29,779
Targeted rates	24,892	29,833	26,644
Dividends	2,201	2,836	2,322
Bank interest	371	379	384
Subsidy: - New Zealand Transport Agency	7,424	8,276	8,521
Assets vested in council	3,480	3,577	3,577
Income of Joint Ventures	3,203	3,203	3,203
Other gains/(losses)	565	549	531
Fees, recoveries and other	20,963	22,478	24,907
TOTAL OPERATING INCOME	90,812	101,139	99,868
EXPENDITURE			
Operating Costs of Activities			
Environment & Planning	12,947	13,410	13,470
Engineering	49,002	54,965	55,863
Community Services	17,525	20,685	17,169
Council Enterprises	2,775	1,939	3,353
Governance	3,768	3,965	3,914
Expenditure of Joint Ventures	2,403	2,403	2,403
TOTAL OPERATING EXPENDITURE	88,420	97,367	96,172
SURPLUS BEFORE TAXATION	2,392	3,772	3,696
LESS			
Taxation	-	-	-
NET SURPLUS	2,392	3,772	3,696
OTHER COMPREHENSIVE INCOME			
Gain/(loss) on asset revaluations	30,674	30,874	27,029
Gain/(loss) on hedging revaluations	292	-	-
TOTAL OTHER COMPREHENSIVE INCOME	30,966	30,874	27,029
TOTAL COMPREHENSIVE INCOME	33,358	34,646	30,725

Note: All the figures in this table are in thousands (000's).

Prospective Income Statement	2010/2011 Budget \$ (000's)	Ten Year Plan 2011/2012 Budget \$ (000's)	Annual Plan 2011/2012 Budget \$ (000's)
TOTAL OPERATING INCOME AS PER PROSPECTIVE INCOME STATEMENT	90,812	101,139	99,868
EXPENDITURE			
Finance Costs	8,388	10,748	9,053
Employee Benefit Expenses	15,355	17,050	16,466
Depreciation and amortisation	15,778	16,783	19,861
Other Expenses	48,899	52,786	50,792
TOTAL OPERATING EXPENDITURE	88,420	97,367	96,172
SURPLUS BEFORE TAXATION	2,392	3,772	3,696
LESS			
Taxation	-	-	-
	2,392	3,772	3,696
NET SURPLUS	2,392	3,772	3,696

Note: All the figures in this table are in thousands (000's).

Accounting Policies (cont.)

Prospective Balance Sheet	2010/2011 Budget \$ (000's)	Ten Year Plan 2011/2012 Budget \$ (000's)	Annual Plan 2011/2012 Budget \$ (000's)
CURRENT ASSETS			
Cash and cash equivalents	3,907	6,390	1,497
Trade and other receivables	4,968	5,382	10,198
Derivative Financial Assets	2,167	-	-
Other financial assets	6,033	5,884	5,060
	17,075	17,656	16,755
CURRENT LIABILITIES			
Trade and other payables	14,014	14,450	13,103
Employee benefit liabilities	1,482	996	996
Derivative Financial Assets	-	-	706
Current portion of public debt	9,452	11,449	8,417
	24,948	26,895	23,222
WORKING CAPITAL	(7,873)	(9,239)	(6,467)
NON CURRENT ASSETS			
Investments in associates	82,054	70,677	83,000
Other financial assets	804	942	2,178
Intangible assets	566	405	814
Trade & Other Receivables	143	-	118
Forestry assets	17,084	19,520	18,833
Investment property	1,801	1,892	1,896
Property, plant and equipment	1,164,218	1,176,445	1,183,969
	1,266,670	1,269,881	1,290,808
NON CURRENT LIABILITIES			
Public Debt	132,552	150,492	144,899
Employee benefit liabilities	627	569	569
Provisions	522	-	553
	133,701	151,061	146,021
TOTAL NET ASSETS	1,125,096	1,109,581	1,138,320
RATEPAYERS EQUITY			
Accumulated General Equity	486,575	490,872	489,502
Reserve funds	8,643	3,826	11,046
Hedging Reserve	292	-	-
Revaluation reserves	629,586	614,883	637,772
	1,125,096	1,109,581	1,138,320

Note: All the figures in this table are in thousands (000's).

Prospective Cashflow Statement	2010/2011 Budget \$ (000's)	Ten Year Plan 2011/2012 Budget \$ (000's)	Annual Plan 2011/2012 Budget \$ (000's)
CASHFLOW FROM OPERATING ACTIVITIES			
CASH WAS PROVIDED FROM:			
Fees and Charges	28,139	30,278	35,004
Rates	52,605	59,841	55,929
Dividends Received	2,201	2,836	2,322
Interest Received	371	379	384
Net GST Received	425	386	482
	83,741	93,720	94,121
CASH WAS DISBURSED TO:			
Payments to Suppliers & Employees	(59,938)	(66,898)	(68,035)
Interest Paid	(8,366)	(10,726)	(9,031)
	(68,304)	(77,624)	(77,066)
NET CASH FROM OPERATING ACTIVITIES	15,437	16,096	17,055
CASHFLOW FROM INVESTING ACTIVITIES			
CASH WAS PROVIDED FROM:			
Proceeds from sale of assets	-	-	-
Proceeds from sale of investments	-	1,200	-
	-	1,200	-
CASH WAS DISBURSED TO:			
Purchase of investments	(1,360)	(160)	(192)
Purchase of property plant & equipment	(40,648)	(34,952)	(32,136)
NET CASH USED IN INVESTING ACTIVITIES	(42,008)	(33,912)	(32,328)
CASHFLOW FROM FINANCING ACTIVITIES			
CASH WAS PROVIDED FROM:			
Proceeds from loans	33,105	29,246	22,179
CASH WAS DISBURSED TO:			
Repayments of borrowings	(7,608)	(10,250)	(9,241)
NET CASH FROM FINANCING ACTIVITIES	25,497	18,996	12,938
TOTAL NET CASHFLOWS	(1,074)	1,180	(2,335)
Opening Cash Held	4,981	5,210	3,832
Closing Cash Balance	3,907	6,390	1,497
REPRESENTED BY:			
Cash and cash equivalents	3,907	6,390	1,497
	3,907	6,390	1,497

Note: All the figures in this table are in thousands (000's).

Accounting Policies (cont.)

Prospective Statement of Changes in Equity	2010/2011 Budget \$ (000's)	Ten Year Plan 2011/2012 Budget \$ (000's)	Annual Plan 2011/2012 Budget \$ (000's)
EQUITY AT THE START OF THE YEAR	1,091,738	1,074,935	1,107,595
Total Comprehensive Income	33,358	34,646	30,725
EQUITY AT THE END OF THE YEAR	1,125,096	1,109,581	1,138,320
COMPONENTS OF EQUITY			
Accumulated general equity at beginning of year	481,928	486,701	485,793
Net surplus (deficit) for the year	2,392	3,772	3,696
Net Transfers (to)/from reserves	2,255	399	13
ACCUMULATED GENERAL EQUITY AT END OF YEAR	486,575	490,872	489,502
Accumulated reserve funds at beginning of year	10,898	4,225	11,059
Net Transfers to/(from) reserves	(2,255)	(399)	(13)
ACCUMULATED RESERVE FUNDS AT END OF YEAR	8,643	3,826	11,046
Accumulated hedging reserves at beginning of year	-	-	-
Hedging surplus/(deficit)	292	-	-
ACCUMULATED HEDGING RESERVES AT END OF YEAR	292	-	-
Accumulated revaluation reserves at beginning of year	598,912	584,009	610,743
Revaluation surplus/(deficit)	30,674	30,874	27,029
ACCUMULATED REVALUATION RESERVES AT END OF YEAR	629,586	614,883	637,772
EQUITY AT THE END OF THE YEAR	1,125,096	1,109,581	1,138,320

Note: All the figures in this table are in thousands (000's).

Prospective Cashflow Reconciliation	2010/2011 Budget \$ (000's)	Ten Year Plan 2011/2012 Budget \$ (000's)	Annual Plan 2011/2012 Budget \$ (000's)
SURPLUS(DEFICIT) FROM PROSPECTIVE INCOME STATEMENT	2,392	3,772	3,696
ADD NON CASH ITEMS			
Depreciation	15,778	16,783	19,861
Vested Assets	(3,480)	(3,577)	(3,577)
	12,298	13,206	16,284
MOVEMENTS IN WORKING CAPITAL			
Decrease (increase) in accounts receivable	(248)	(476)	(1,321)
Increase (decrease) in accounts payable	(1,451)	(1,553)	301
	(1,699)	(2,029)	(1,020)
ADD (DEDUCT) ITEMS CLASSIFIED AS INVESTING OR FINANCING ACTIVITIES			
Capital Creditors	2,446	1,147	(1,905)
NET CASH FLOW FROM OPERATING ACTIVITIES	15,437	16,096	17,055

Note: All the figures in this table are in thousands (000's).

Accounting Policies (cont.)

Projected Revenue by Activity	2010/2011 Budget \$ (000's)	Ten Year Plan 2011/2012 Budget \$ (000's)	Annual Plan 2011/2012 Budget \$ (000's)
Resource Policy	1,306	1,350	1,372
Environmental Information	2,645	2,648	2,459
Resource Consents & Compliance	3,296	3,588	3,466
Environment Education Advocacy and Operations	2,166	2,106	2,349
Regulatory Services	3,772	3,930	4,044
Subsidised Land Transportation	14,310	16,329	15,723
Non Subsidised Land Transportation	3,447	3,693	6,049
Coastal Structures	1,317	1,411	1,345
Aerodromes	120	156	147
Solid Waste	6,625	7,990	6,798
Wastewater	9,621	11,558	10,276
Stormwater	2,805	3,359	3,022
Rivers	2,614	3,046	3,079
Water	7,583	9,477	8,271
Cultural Services & Community Grants	581	612	621
Libraries	2,491	2,631	2,624
Community Recreation	735	711	817
Camping Grounds	656	564	717
Parks and Reserves	6,878	7,500	6,609
Property	1,557	1,469	1,938
Community Housing	567	603	543
Forestry	788	947	2,003
Community Facilities	3,797	3,989	3,579
Governance	3,769	3,989	4,432
Other	4,963	5,080	7,585
	88,409	98,736	99,868

Note: All the figures in this table are in thousands (000's).

Funding Impact Statement, including Schedule of Charges

Summary Funding Impact Statement Table	2010/2011 Budget \$	Ten Year Plan 2011/2012 Budget \$	Annual Plan 2011/2012 Budget \$
OPERATING REVENUE			
General Rates	27,713,052	30,008,484	29,779,434
Targeted rates	24,891,663	29,832,764	26,950,292
Dividends	2,201,001	2,836,010	2,322,225
Interest	370,982	379,411	383,660
Subsidy: - New Zealand Transport Agency	7,423,902	8,275,646	8,520,930
Financial Contributions	1,524,817	1,834,929	970,000
Development Contributions	2,533,833	2,648,413	2,648,413
Grants	42,117	43,272	15,337
Subsidies	124,825	128,095	128,095
Fees	16,737,780	17,823,542	20,838,112
TOTAL OPERATING REVENUE	83,563,972	93,810,566	92,556,498
LESS			
Interest on Loans	8,365,900	10,725,881	9,031,268
Depreciation	15,777,713	16,782,921	19,860,887
Operating & maintenance	61,873,982	67,455,188	64,877,285
TOTAL OPERATING COSTS	86,017,595	94,963,990	93,769,440
SURPLUS BEFORE VESTED ASSETS, JVS & OTHER GAINS/LOSSES	(2,453,623)	(1,153,424)	(1,212,942)
STATEMENT OF FUNDING REQUIREMENT			
FUNDS REQUIRED			
Capital	40,994,841	34,931,865	31,471,427
Loan Principal	7,608,215	10,250,379	9,240,996
Transfers to reserves	677,314	1,503,468	1,804,512
Advances Given	120,000	120,000	120,000
	49,400,370	46,805,712	42,636,935
SOURCE OF FUNDS			
Surplus before vested assets, JVs & other	(2,453,623)	(1,153,424)	(1,212,942)
Loans raised	33,104,927	29,246,209	22,179,368
Advances Repaid	27,895	28,208	28,208
Transfers from Reserves	2,943,458	1,901,798	1,781,414
Depreciation to be funded at income statement level	15,777,713	16,782,921	19,860,887
	49,400,370	46,805,712	42,636,935

Funding Impact Statement, including Schedule of Charges (cont.)

Funding Impact Statement

The Local Government (Rating) Act 2002 sets out the methods by which local authorities can rate and details criteria around the use of those rates. The Local Government Act 2002 sets out those processes and policies that must be applied in the establishment of rating systems including the provision of information to communities.

This Funding Impact Statement, which has been prepared in accordance with the requirements of the Local Government Act 2002, includes those revenue and funding mechanisms used, explanatory information supporting the use of those identified rates and culminates with a table detailing the revenue generated from the rates identified.

The rating policy of Tasman District Council is that where it is practical, identifiable beneficiaries of Council activities pay for the costs by targeted rates, direct charges or fees. The balance of Council activities are funded through the general rate which is levied on a mix of rates charged on a capital value basis, together with a Uniform Annual General Charge.

The rates in this Draft Funding Impact Statement are GST exclusive, GST will be applied at the prevailing rate.

Rating Area Maps

Each of the targeted rates has a unique rating area within which rating units are levied prescribed annual charges. Copies of rating maps for each unique area are available for inspection at Council offices.

General Rate

Council sets a general rate based on the capital value of each rating unit in the District. This rate is set at different rates in the dollar of capital value. The categories of property and the rates (in cents per dollar of capital value) for 2011/2012 are:

Category	2010/2011 cents	2011/2012 cents
Infrastructural Utilities	0.0000	0.0000
Land which is not an Infrastructural Utility	0.1951	0.2060

The component of the General Rate which relates to the replenishment of Council's General Disaster Fund (in cents per dollar capital value) for 2011/2012 is 0.0045.

Uniform Annual General Charge

Council sets a Uniform Annual General Charge on each rating unit in the Tasman District. The rate (in dollars per rating unit) for 2011/2012 is \$251.11 (2010/2011 \$231.11).

Funding Impact Statement, including Schedule of Charges (cont.)

Targeted Rates

1 Stormwater Rates

Council sets a targeted rate for the purposes of stormwater works. This rate will be based on the capital value of each rating unit. The categories of property and the rates (in cents per dollar of capital value) for the 2011/2012 year are:

Category	2010/2011 cents	2011/2012 cents
Richmond/Hope Urban Drainage Area	0.0380	0.0410
Motueka Urban Drainage Area	0.0380	0.0410
Mapua/Ruby Bay Urban Drainage Area	0.0380	0.0410
Brightwater Urban Drainage Area	0.0380	0.0410
Wakefield Urban Drainage Area	0.0380	0.0410
Takaka Urban Drainage Area	0.0380	0.0410
Murchison Urban Drainage Area	0.0380	0.0410
Collingwood Urban Drainage Area	0.0380	0.0410
Kaiteriteri Urban Drainage Area	0.0380	0.0410
St Arnaud Urban Drainage Area	0.0380	0.0410
Tapawera Urban Drainage Area	0.0380	0.0410
Tasman Urban Drainage Area	0.0380	0.0410
Patons Rock Urban Drainage Area	0.0380	0.0410
Ligar Bay Urban Drainage Area	0.0380	0.0410
Tata Beach Urban Drainage Area	0.0380	0.0410
Pohara Urban Drainage Area	0.0380	0.0410
Balance of the Tasman District not in above areas	0.0038	0.0041

2 Water Supply Rates

2.1 Water Supply – Metered Connections

Council sets a targeted rate for the supply of water. This rate will be based on the volume of water supplied to all rating units with a metered connection except for the Nelson Pine Industries Limited site. The rate will be based on the provision of a service by the Council and where the land is situated. The categories of rateable land and the rates (per cubic metre supplied) for 2011/2012 is:

Category	2010/2011 \$	2011/2012 \$
All rating units with metered connections, excluding the Nelson Pine Industries site.	\$1.28	\$1.50

In addition, Council sets a targeted rate for the supply of water calculated as a fixed daily amount per rating unit. The rate will be based on where the land is situated and the provision of service by the Council and will be set in relation to all rating units with a metered connection excluding those in the Motueka Township and the Nelson Pine Industries Limited site. The rate for 2011/2012 is 51.89 cents per day (2010/2011 44.99 cents).

Funding Impact Statement, including Schedule of Charges (cont.)

2.2 Water Supply – Rural Connections

Council sets a targeted rate for the supply of water. This rate will be based on the quantity of water supplied and will be set differentially based on the provision of service. The categories and proposed rates (in dollars per unit of water supplied) for 2011/2012 are:

Category	2010/2011 \$	2011/2012 \$
Dovedale/Neudorf Rural Water Supply Area:		
First unit supplied	519.61	528.30
Second and subsequent unit	363.54	407.29
Redwood Valley Rural Water Supply Area	332.85	380.26
Eighty-Eight Valley Rural Water Supply Area	48.09	65.00
Low flow restricted supply connections	293.40	299.26

Council sets a targeted rate for the supply of water to the Eighty-Eight Valley Rural Water Supply Area. The rate will be set in relation to all land to which the Eighty-Eight Valley Water Supply is provided. The rate (in dollars per rating unit) for 2011/2012 is \$75.00 (2010/2011 \$55.48).

Council sets a targeted rate for the supply of water to all rating units with connection to the Hamama Rural Water Supply. This rate will be set in relation to all land to which the Hamama Rural Water Supply is provided. This rate is set to meet the operational costs. The rate for 2011/2012 is 0.0339 cents per dollar of land value (2010/2011 0.0264 cents).

Council sets a targeted rate for the supply of water to all rating units with a connection to the Hamama Rural Water Supply. This rate will be set in relation to all land to which the Hamama Rural Water Supply is provided. This rate is set to meet the capital costs of recent scheme enhancements. The rate (in dollars per rating unit) for 2011/2012 is \$141.49 (2010/2011 \$138.72).

2.3 Water Supply – Maintenance and Capital Charge

Council sets a targeted rate for the purpose of meeting capital and/or maintenance expenditure on water supply works. This rate will be set differentially based on where the land is situated. The categories and rates (in dollars per rating unit) for 2011/2012 are:

Category	2010/2011 \$	2011/2012 \$
Motueka Urban Water Supply Area	65.66	66.97

2.4 Water Supply – Capital Charges

Council sets a targeted rate under Section 16 of the Local Government (Rating) Act 2002 for the purpose of meeting loan repayments for the capital cost of the Kaiteriteri-Stephens Bay Water Supply Scheme. This rate is set in relation to land situated within the Kaiteriteri-Stephens Bay Water Supply Area where the rating unit has not elected to make a lump sum contribution to the capital cost of the scheme. The rate (in dollars per separately used or inhabited part) for 2011/2012 is \$109.33 (2010/2011 \$109.33).

A targeted rate is set for the purpose of meeting loan repayments for the capital cost of the Collingwood Water Supply Scheme. This rate is set in relation to land situated within the Collingwood Water Supply Area where the rating unit has not elected to make a lump sum contribution to the capital cost of the scheme. The rate (in dollars per rating unit) for 2011/2012 is \$350.22 (2010/2011 \$350.22).

Funding Impact Statement, including Schedule of Charges (cont.)

3 Wastewater Rates

3.1 Wastewater – Operation and Maintenance Charges

Council sets a targeted rate for the purpose of meeting the operating costs of the general wastewater account. This charge is based on the number of water closets or urinals connected either directly or through a private drain, to a public wastewater drain. In respect of rating units used primarily as a residence for one household, no more than one water closet will be liable for this charge. The rates (in dollars per water closet or urinal) for 2011/2012 are:

Category	2010/2011 \$	2011/2012 \$
First water closet or urinal	552.15	550.92
Second to tenth water closet or urinal	414.13	413.11
Eleventh and subsequent water closet or urinal	276.08	275.40

3.2 Wastewater – Capital Charges

Council had set a targeted rate for the purpose of meeting loan repayments for the capital costs of the wastewater scheme listed below. Council will discontinue this rate from 2011/2012:

Category	2010/2011 \$	2011/2012 \$
Port Motueka Urban Drainage Area	68.44	0.00

Council had set a targeted rate for the purpose of meeting loan repayments for the capital costs of the Pohara Wastewater Scheme. Council will discontinue this rate from 2011/2012.

Council sets a targeted rate for the purpose of meeting loan repayments for the capital costs of the Pohara Stage Three Wastewater Schemes. This rate will be based on the provision or availability of service and where the land is situated. The rate will be set in relation to each rating unit in the Pohara Urban Drainage Area which has not elected to make a lump sum contribution to the capital cost of the scheme. The rates (in dollars per rating unit) for 2011/2012 are:

Category	2010/2011 \$	2011/2012 \$
Connected Rating Units		
Pohara	98.67	0.00
Pohara Stage Three	222.22	222.22
Serviceable Rating Units		
Pohara	98.67	0.00
Pohara Stage Three	111.11	111.11

Council had set a targeted rate for the purpose of meeting loan repayments for the capital costs of the Pohara Wastewater Scheme, where the rating unit is non-residential and connected a charge is made for the second and subsequent water closets or urinals. Council will discontinue this rate from 2011/2012.

Council sets a targeted rate for the purpose of meeting loan repayments for the capital costs of the and Pohara Stage Three Wastewater Schemes. This rate will be based on the provision or availability of service and the use to which the land is put. The rate will be set in relation to each rating unit in the Pohara Urban Drainage Area which has not elected to make a lump sum contribution to the capital cost of the scheme. Where the rating unit is non-residential and connected a charge is made for the second and subsequent water closets or urinals. Residential rating units with more than one separately used or inhabited part are charged for

Funding Impact Statement, including Schedule of Charges (cont.)

the second and subsequent water closets or urinals but not for more than one water closet per part. The rates (in dollars per water closet or urinal) for 2011/2012 are:

Category	2010/2011 \$	2011/2012 \$
Non-residential Connected Rating Units (for second and subsequent W/Cs or urinals)		
Pohara	65.78	0.00
Pohara Stage Three	74.09	74.09
Residential Connected Rating Units with more than one separately used or inhabited part (for second and subsequent W/Cs or urinals)		
Pohara	65.78	0.00
Pohara Stage Three	74.09	74.09

Council had set a targeted rate for the purpose of meeting loan repayments for the capital costs of the St Arnaud Wastewater Scheme. Council will discontinue this rate from 2011/2012, (2010/2011 \$177.78).

4 Regional River Works Rates

Council sets a targeted rate for river works. This rate will be based on the land value of each rating unit and will be differentially based on where the land is situated. The categories of land and the rates (in cents per dollar of land value) for 2011/2012 are:

Category	2010/2011 \$	2011/2012 \$
Classification X	0.0943	0.1123
Classification Y	0.0943	0.1123
Classification Z	0.0198	0.0237

5 Business Rates

5.1 Motueka Business Rate

Council sets a targeted rate for the purpose of promotion of the Motueka business area. This rate is based on the capital value of each rating unit and will be set in relation to where the land is situated being the Motueka Business Rating Areas A and B. The rate (in cents per dollar of capital value) for 2011/2012 is Area A 0.0394 cents (2010/2011 0.0394 cents), and Area B 0.0351 cents (2010/2011 0.0351 cents).

5.2 Richmond Business Rate

Council sets a targeted rate for the purpose of promotion of the Richmond business area. This rate is based on the capital value of each rating unit and will be set in relation to where the land is situated being the Richmond Business Rating Area. The rate (in cents per dollar of capital value) for 2011/2012 is 0.0422 cents (2010/2011 0.0405cents).

6 Ruby Bay Stop Bank Rate

Council sets a targeted rate for the purpose of meeting loan repayments for the capital costs of the Ruby Bay Stop Bank. This rate is based on where the land is situated and will be set on each rating unit in the Ruby Bay Stop Bank Rating Area which has not elected to make a lump sum contribution to the capital cost of the scheme. The rate (in dollars per rating unit) for 2011/2012 is \$932.44 (2010/2011 \$932.44).

7 Mapua Stop Bank Rate

Council sets a targeted rate for the purpose of meeting loan repayments for the capital costs of the Mapua Stop Bank. This rate is based on where the land is situated and will be set on each rating unit in the Mapua Stop Bank Rating Area which has not elected to make a lump sum contribution to the capital cost of the scheme. The rate (in dollars per rating unit) for 2011/2012 is \$94.62 (2010/2011 \$94.62).

8 District Facilities Rate

Council sets a targeted rate for the purpose of meeting part of the costs of capital funding for new, large, community, recreational, sporting or cultural district or regional projects which have met defined criteria, and will provide benefit to the residents of Tasman District. This rate is set in relation to all rateable units within the Tasman District. The rate (in dollars per rating unit) for 2011/2012 is \$42.90 (2010/2011 \$36.58).

9 Motueka Stop Bank Rate

Council sets a targeted rate for the purpose of meeting loan repayments for the capital costs of the Motueka Stop Bank. This rate is based on where the land is situated and will be set on each rating unit in the Motueka Stop Bank Rating Area, being the Motueka Stop Bank Rating Areas A and B. The rate (in cents per dollar of land value) for Area A for 2011/2012 is 0.0084 cents (2010/2011 0.0057 cents). The rate (in cents per dollar of land value) for Area B for 2011/2012 is 0.0016 cents (2010/2011 0.0010 cents).

10 Shared Facilities Rate

Council sets a targeted rate for the purpose of meeting part of the costs of capital funding for new, large, community, recreational, sporting or cultural district or regional projects which have met defined criteria, and will provide benefit to the residents of Tasman District and Nelson City. This rate is set in relation to all rateable units within the Tasman District. The rate (in dollars per rating unit) for 2011/2012 is \$47.80 (2010/2011 \$45.60).

11 Facilities Operations Rate

Council sets a targeted rate for the purpose of meeting the operating costs of various community facilities within the District. This rate is set in relation to all rateable units within the Tasman District, excluding the Golden Bay Ward. The rate (in dollars per rating unit) for 2011/2012 is \$27.65 (2010/2011 \$25.44).

Funding Impact Statement, including Schedule of Charges (cont.)

- 12 Museums Facilities Rate
Council sets a targeted rate for the purpose of meeting part of the costs of capital funding for the Regional Museum and for the annual operation of the Regional Museum and Council's District museums. This rate is set in relation to all rateable units within the Tasman District. The rate (in dollars per rating unit) for 2011/2012 is \$48.75 (2010/2011 \$47.30).
- 13 Wai-iti Valley Community Dam Rate
Council sets a targeted rate for the purpose of funding the costs of the Wai-iti Valley Community Dam. This rate is based on where the land is situated and the provision of service provided and will be set in relation to the number of hectares as authorised on all water permits granted under the Resource Management Act 1991. The rate (in dollars per hectares) for 2011/2012 is \$291.70 (2010/2011 \$280.00).
- 14 Fireblight Control Rate – Waimea
Council had set a targeted rate for the purpose of funding the cost of the removal of hawthorn in the Waimea area. This rate is based on the planted horticultural hectares within the defined rating boundary at 31 January 2006. Council will discontinue this rate from 2011/2012 (2010/2011 \$46.67).
- 15 Takaka Fire Fighting Water Supply Rate – Capital
Council sets a targeted rate for the purpose of funding loan repayment costs of constructing a reticulated fire fighting water supply within the Takaka CBD. This rate is based on where the land is situated and will be set on each rating unit in the Takaka Fire Fighting Rating Area. The rate for the Commercial CBD (in cents per dollar of capital value) for 2011/2012 is 0.0880 cents (2010/2011 0.0867 cents). The rate (in dollars per rating unit) for 2011/2012 is \$45.33 for Takaka Residential, (2010/2011 \$45.33), and \$13.33 (in dollars per rating unit) for the remainder of the Golden Bay Ward (2010/2011 \$13.33).
- 16 Takaka Fire Fighting Water Supply Rate – Operating
Council sets a targeted rate for the purpose of funding the maintenance costs of the reticulated fire fighting water supply within the Takaka CBD and residential area. This rate is based on where the land is situated and will be set on each rating unit in the Takaka Fire Fighting Rating Area. The rate (in dollars per rating unit) for 2011/2012 is \$40.00 (2010/2011 \$40.00).
- 17 Refuse/Recycling Rate
Council sets a targeted rate for the purpose of funding kerbside recycling, rubbish bag collection and other waste related activities. This rate is based on where the land is situated and will be set on each rating unit in the Refuse/Recycling Rating Area. The rate (in dollars per rating unit) for 2011/2012 is \$111.07 (2010/2011 \$102.22).
- 18 Hamama Road Sealing Rate
Council sets a targeted rate for the purpose of funding loan repayment costs for the sealing of Hamama Road. This rate is based on where the land is situated and will be set on each rating unit in the Hamama Road Sealing Rating Area which has not elected to make a payment in advance to the capital cost of the scheme. The rate (in dollars per rating unit) for 2011/2012 is \$573.33 (2010/2011 \$573.33).
- 19 Mapua Rehabilitation Rate
Council sets a rate for the purpose of meeting costs in respect of the Mapua Rehabilitation project. The rate (in dollars per rating unit) for 2011/2012 is \$10.67 (2010/2011 \$10.67).
- 20 Kaiteriteri Refuse Rate
Council sets a targeted rate for the purpose of meeting costs in respect of the additional summer refuse collection service provided to the Kaiteriteri area. This rate is based on where the land is situated and is set on each rating unit in the Kaiteriteri Refuse Rating Area. The rate (in dollars per rating unit) for 2011/2012 is \$16.10 (2010/2011 \$16.10).

21 Waimea Water Augmentation
(Lee Valley Dam) Rate

Council sets a targeted rate for the purpose of meeting costs in respect of the Waimea Water feasibility study. This rate is based on where the land is situated and is set on each rating unit in the Waimea Water Augmentation Rating Area. The rate (in dollars per rating unit) for 2011/2012 is \$22.22 (2010/2011 \$22.22).

22 Torrent Bay Replenishment Rate

Council sets a targeted rate for the purpose of meeting the costs of reinstating and maintaining the beach at Torrent Bay. This rate is based on where the land is situated and will be set on each rating unit in the Torrent Bay Replenishment Rating Area, being the Torrent Bay Replenishment Rating Areas A and B. The rate (in dollars per rating unit) for Area A for 2011/2012 is \$1,333.33 (2010/2011 \$1,333.33). The rate (in dollars per rating unit) for Area B for 2011/2012 is \$400.00 (2010/2011 \$400.00).

23 Tourism Rate

Tourism rate A

The Council sets a targeted rate for partly funding the Council's contribution to the cost of destination marketing by Tourism Nelson Tasman Limited. The targeted rate is set in relation all rateable land falling within one or more of the following categories:

- (a) All rateable land within Tasman District where all or part of the land is premises registered under the Health (Registration of Premises) Regulations 1966 or premises exempt from compliance with the Food Hygiene Regulations 1974 by virtue of an exemption granted under Part 1A Food Act 1986.
- (b) All rateable land within Tasman District where all or part of the land is premises on which liquor may be sold pursuant to a licence under the Sale of Liquor Act 1989.
- (c) All rateable land within Tasman District listed in the Council's Rating Information Database as having a Quotable Value Property Category Code of CS or IS and on which petrol is sold.

(d) All rateable land within Tasman District used in connection with a commercial public transport system registered under the Public Transport Management Act 2008.

(e) All rateable land within Tasman District used in connection with a tourism activity identified on the Tourism Nelson Tasman Limited Advertisers Database.

(f) All rateable land within Tasman District listed in the Council's Rating Information Database as having a Quotable Value Property Use Code of 5, 51, 52, 53, 54, 55, 71, 81, 82 or 83 and a QV Property Category Code of CR, CL, CT or CS, and sell goods to the public.

The rate (in dollars per separately used part) for 2011/2012 is \$100.00 (2010/2011 \$125.78).

Tourism rate B

The Council sets a targeted rate for partly funding the Council's contribution to the cost of destination marketing by Tourism Nelson Tasman Limited. The targeted rate is set in relation to all rateable land within Tasman District listed in the Council's Rating Information Database as having one or more of the following Quotable Value Improvement Nature Codes ACCOM, CABIN, BACH, MOTEL, HOTEL, LODGE, or BPK ACCOM and either:

(a) One of the following Quotable Value Property Category Codes LI, RD, RF, RH, RR, CT or CA; or

(b) One of the following Quotable Value Property Use Codes 9, 90, 91, 92, 93, 94, 95, 96 or 97;

and are used or are available for accommodation for less than 90 days, at any one time, for which a fee or charge is payable. The rate (in dollars per rating unit) for 2011/2012 is \$100.00 (2010/2011 \$125.78).

24 Motueka Community Board Rate

Council sets a targeted rate for the purpose of funding the costs of the Motueka Community Board and to fund specific projects that the Board wishes to undertake in the Motueka Ward. This rate is based on where the land is situated and is set on each rating unit in the Motueka Community Board Rating Area. The rate (in dollars per rating unit) for 2011/2012 is \$12.57 (2010/2011 \$9.73).

Funding Impact Statement, including Schedule of Charges (cont.)

25 Golden Bay Community Board Rate

Council sets a targeted rate for the purpose of funding the costs of the Golden Bay Community Board. This rate is based on where the land is situated and is set on each rating unit in the Golden Bay Community Board Rating Area. The rate (in dollars per rating unit) for 2011/2012 is \$14.51 (2010/2011 \$15.04).

26 Tasman Warm Home Voluntary Rate

Council sets a voluntary targeted rate for the purpose of funding the costs of the of Tasman Clean Heat Warm Home scheme. The rate is set in relation to all rateable units in the Tasman District, which opt into the scheme. The rate will commence in year 2 of the grant being approved. The rate (in cents per dollar of the combined costs of the grant and administration fee) for 2011/2012 is \$0.1382 (2010/2011 \$0.1382).

Definitions

1 Infrastructural Utility

The Infrastructural Utility category includes rating units identified by the following valuation roll numbers:

9995100100	9995100200	9995100300	9995100400
9995100500	9995100900	9995101000	9995101400
9995101500			

2 Nelson Pine Industries Limited

The Nelson Pine Industries site is the land described in Computer Freehold Register Identifiers NL 12C/378, NL 12C/375, and NL 12C/376.

3 Unit

A unit of water on the Dovedale and Redwood Valley Rural Water Supply Schemes, and the Urban Extension Schemes at Hope, Richmond, Collingwood, Wakefield, Brightwater, and Best Island is the equivalent of 2,000 litres of water a day. A unit of water on the Eighty-Eight Valley Rural Water Supply and the Mapua/Ruby Bay Urban Extension is the equivalent of 1,000 litres of water per day.

4 Separately Used or Inhabited Parts of a Rating Unit

Where targeted rates are calculated on each separately used or inhabited part of a rating unit the following definition will apply:

Any portion of a rating unit used or inhabited by any person, other than the ratepayer or member of the ratepayer's household, having a right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement.

Assessment and Invoicing

Rates assessment will be rounded down to the nearest ten cents where applicable, will be inclusive of Goods and Services Tax and are due and payable to the Tasman District Council at the Council Offices in four instalments.

Council invoices rates quarterly, with final dates for payment of each instalment being 31 August, 30 November, 28 February and 31 May. The 2011/2012 rates instalments become payable on the following days:

Instalment 1	Instalment 2	Instalment 3	Instalment 4
1 August 2011	1 November 2011	1 February 2012	1 May 2012

Metered water rates are invoiced separately from other rates. Invoices for domestic users are issued six monthly and invoices for industrial users are issued monthly. All invoices are due for payment on the 20th of the month following the month in which the invoice is issued.

Penalties

Under Section 57 and 58 of the Local Government (Rating) Act 2002 Council prescribes the following additional charge of ten percent (10%) of the amount of rate instalments remaining unpaid to be added on the following dates:

Instalment 1	Instalment 2	Instalment 3	Instalment 4
1 September 2011	1 December 2011	1 March 2012	1 June 2012

Funding Impact Statement, including Schedule of Charges (cont.)

A further additional charge of five per cent (5%) will be added to rates that remain unpaid from previous years as at the date five working days after the date on which Council passes a resolution authorising penalties, and the additional charge will be added at six monthly intervals thereafter.

As an alternative to payment by the above four instalments, the total annual rates on any property may be paid in one lump sum by 30 November 2011 and any first instalment penalty already incurred is to be remitted. If not paid by 30 November 2011, the penalties relating to the four instalments as above will apply.

A penalty of ten percent (10%) will be added to the amount of metered domestic water rates remaining unpaid on the day after the final date for payment as shown on the metered water invoice.

The above penalties will not be charged on a rating unit where Council has agreed to a programme for payment of rate arrears.

Uneconomic Balances

Council will not collect total annual rates (not including metered water rates) of \$10.00 or less as provided for under Section 54 of the Local Government (Rating) Act 2002.

Early Payment of Rates

Section 55 of the Local Government (Rating) Act 2002 empowers Council to accept early payment of rates. Council will allow a discount of two percent (2%) of the total year's rates if payment of same is received on or before 31 August 2011.

The rates revenue sought from the uniform annual general charge and targeted rates set on a uniform basis is 20.27 percent of the total revenue from all rates sought by Council in accordance with Section 21 of the Local Government (Rating) Act 2002.

Revenue Generated from Rates during 2011/2012	\$ GST Excl
General Rate:	
Land which is not an Infrastructural Utility	29,239,634
General Disaster Fund Replenishment	539,800
Infrastructural Utilities	-
Stormwater:	
Richmond/Hope Drainage Area	1,025,936
Motueka Urban Drainage Area	451,011
Mapua/Ruby Bay Urban Drainage Area	194,523
Brightwater Urban Drainage Area	99,599
Wakefield Urban Drainage Area	91,282
Takaka Urban Drainage Area	63,344
Murchison Urban Drainage Area	20,802
St Arnaud Urban Drainage Area	34,755
Kaiteriteri Urban Drainage Area	147,158
Collingwood Urban Drainage Area	25,815
Pohara Drainage Area	58,712
Patons Rock Drainage Area	13,560
Ligar Bay Drainage Area	17,199
Tasman Drainage Area	7,715
Tapawera Drainage Area	12,231
Tata Beach Drainage Area	29,207
Balance of Tasman District not in above stormwater areas	254,761
Water Supply:	
All metered connections excluding the major industrial water user	4,950,635
Low-flow restricted supply connections	351,632
Dovedale/Neudorf Rural Water Supply	241,813
Redwood Valley Rural Water Supply	206,699
Eighty-Eight Valley Rural Water Supply	45,935
Hamama Water Supply	14,653
Hamama Water Supply Fixed Charge	3,679
Motueka Urban Water Supply Rate	205,459
Kaiteriteri/Stephens Bay Water Supply Scheme Rate	19,898
Collingwood Water Supply Rate	14,359
Wai-iti Valley Community Dam	228,179
Takaka Fire Fighting Water Supply - Operating Rate	20,160
Takaka Fire Fighting Water Supply - Capital Rate	95,338
Wastewater Operation and Maintenance Charges	8,570,262

Funding Impact Statement, including Schedule of Charges (cont.)

Revenue Generated from Rates during 2011/2012	\$ GST Excl
Wastewater capital charges:	
Pohara Stage Three Wastewater Scheme Area	8,000
Regional River Works Rates	
Classification X & Y	1,407,515
Classification Z	1,407,515
Motueka Stopbank Rate	47,451
Refuse/Recycling Rate	1,967,550
Kaiteriteri Refuse Rate	7,050
Motueka Business Rate	41,933
Richmond Business Rate	92,407
District Facilities Rate	916,280
Shared Facilities Rate	1,020,745
Facilities Operations Rate	504,578
Museums Rate	1,041,227
Motueka Community Board Rate	64,905
Golden Bay Community Board Rate	45,754
Tourism Levy	98,087
Ruby Bay Stop Bank Rate	9,324
Mapua Stop Bank Rate	90,824
Torrent Bay Replenishment Rate	32,400
Mapua Rehabilitation Rate	227,886
Waimea Water Augmentation (Lee Valley) Rate	21,864
Hamama Road Sealing Rate	5,733
Internal Transfers	68,370
Total Rates	56,423,143

Schedule of Charges

(Disclaimer: Note that the fees and charges contained in this Schedule may change during the year.)

The Tasman District Council, acting under the Local Government Act 2002, hereby prescribes the following charges. The charges shall come into force on 1 July 2011. The charges shall remain in force until amended by Council resolution. Council may amend the charges by resolution during the year.

Summary of Changes:

Apart from inflation adjusting most of the 2010/2011 charges (some with rounding), the main changes reflected in the 2011/2012 Schedule of Charges are:

- Introduction of a tiered charging system for commercially collected waste, and an increase in the recycling/refuse targeted rate to help cover some of the loss of income from the reduction in the volume of waste being disposed of, which is most likely due to the downturn in economic activity.
- Aerodrome landing and parking fees have gone up more than the inflation adjustment.
- Clarification that the listed deposits for processing resource consent applications and for carrying out other resource management functions can be increased when required to recover more income upfront and minimise transaction costs and Council's exposure to delays in recovering costs.
- Introduced a charge for replacement registration tags for dogs to cover associated costs.
- Ring Road Line levies to stay the same rate as 2010/2011 year being \$1.02/m for mussels and 30c/m for spat.

- Allow for reduced charges where people build under a Department of Building and Housing approved "multi-roof" building consent and where food operators operate under a New Zealand Food Safety Authority accredited food control plan.
- Reduced charge for transfer of consents to better reflect processing effort.
- Reduced deposits for designations and heritage orders to reflect changes to the notification requirements under the Resource Management Act and modified some other deposits (e.g. road stopping, Official Information Act certificates).
- Introduced a new (and lesser) fee for kitset type dwellings less than 100m² and included houses greater than 250m² in the same rate as for the multi storey dwellings to better reflect processing and inspection effort.
- Additional charge for re-inspection of food premises.
- Reduced consent fee for on-site waste water systems only.
- Changes to water charges for properties in Nelson City, excluding the ENZA Food New Zealand Limited site and the Alliance Group Limited site, supplied with water by Tasman District Council.

The new charges will take effect from 1 July 2011.

Funding Impact Statement, including Schedule of Charges (cont.)

Schedule of Fees and Charges:

Resource Management	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
<p>Resource Consent Applications</p> <p>The Council has resolved to generally fix charges in accordance with Section 36(1) of the Resource Management Act 1991 for processing resource consent applications and carrying out reviews based on a formula of hourly rates multiplied by the actual and reasonable time required to carry out the activity, plus the costs of disbursements and specialised advice.</p> <p>For the activities to which this formula applies, the Council requires payment of minimum lodgement fees (deposits) as listed below but reserves the right to require further deposits, interim payments or advance payments of amounts to be determined by the Resource Consents Manager or the Environment & Planning Manager if processing activity is protracted over time or will incur costs over and above the listed lodgement fees.</p> <p>For some specific functions a standard charge applies as listed below.</p> <p>Where the formula or standard fee is inadequate to enable the Council to recover the actual and reasonable costs that are or will be incurred to carry out an activity, or where the Council considers that additional charges are warranted, they may be imposed under section 36(3) and are subject to rights of objection.</p>	
<p>Non-notified Applications</p> <ul style="list-style-type: none"> • Right-of-Way Application (S.348 Local Government Act) • The following Land Use Consents: <ul style="list-style-type: none"> – Signs – Trimming,/Pruning of protected tree(s) – Minor Repair or Addition to heritage building or structure – Bore permit – Gravel extraction from watercourses – Minor building set-back or coverage breaches with affected parties approvals supplied – Three or more dogs in residential zones with affected parties approvals supplied • Replacement Water Permit (to dam, divert, take or use water) • Replacement Discharge Permit (to land, water or air) • Replacement Coastal Permit • Certificate of Compliance (S.139 Resource Management Act) • Existing Use Certificate (S.139A Resource Management Act) • Change or Cancellation of Consent Condition(s) (S.127 Resource Management Act) • Change or Cancellation of Consent Notice (S.221(3)(b) Resource Management Act) • Extension of lapsing period (S.125 Resource Management Act) • Part transfers of a permit (S.136 and S.137 Resource Management Act) • Transfer of Water Permit to new site (S.136(2)(b) Resource Management Act) • Transfer of Discharge Permit to a new site (S.137(3)(b) Resource Management Act) • Alteration of Existing Designation (Notice of Requirement S.181 Resource Management Act) 	<p>\$500.00 Deposit</p>

Resource Management	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
<p>Non-notified Applications</p> <ul style="list-style-type: none"> • Subdivision: plus an additional \$55 for each additional lot in excess of two (includes balance area) and up to and including twenty lots. • Any Land Use Consent not listed in the box above including, but not limited to, the following: <ul style="list-style-type: none"> – Dwelling or building (including setback and coverage breaches) – Land Use Activities not permitted in zone – Removal of protected tree(s) – Earthworks/Land Disturbance/Vegetation Clearance – Hazardous Facilities – Dam structure • New Discharge Permit (to land, water or air) excluding dust suppression discharge permits (refer under Miscellaneous on next page) • New Water Permit (to dam, divert, take or use water) • New Coastal Permit • Review of Resource Consent Condition (S.128 Resource Management Act) • New Notice of Requirement • New Heritage Order 	\$900.00 Deposit
<p>Notified and Limited notification All applications under the Resource Management Act requiring notification, including applications requesting change or cancellation of consent conditions or notified S.128 reviews. (Additional deposits may be required)</p>	\$5,000.00 Deposit
<p>Non-notified Application Hearing All non-notified applications under the Resource Management Act requiring a hearing, including applications requesting change or cancellation of consent conditions or notified S.128 reviews. (Additional deposits may be required)</p>	\$2,000.00 Deposit
<p>Administration, Monitoring and Supervision A standard monitoring fee of \$134.00 will be applied to all land use, coastal and discharge consents where monitoring is required, except where a specific charge otherwise applies. Monitoring outside of the first review will be subject to the "Re-inspection Fee" outlined under Miscellaneous on next page</p> <p>Additional Subdivision Costs</p>	
<p>Use of Council Seal (e.g. Covenants holding land together (S.221(2)(a)), Easements in Gross in favour of Council). In the case of Easements in Gross, these are usually established after S.224(c) approval but the \$180.00 will be charged (if applicable) in advance when the total costs of S.223, S.224 and Engineering Plan Approvals are calculated.</p>	\$180.00
<p>Approval of Survey Plan under S.223 Resource Management Act, Approval of Engineering Plans, and Completion Certificate under S.224 Resource Management Act. No deposit is required for any of these activities. Actual Council staff time and actual costs of consultants, including disbursements, will also be charged.</p>	\$134.00/hr

Funding Impact Statement, including Schedule of Charges (cont.)

Miscellaneous	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
Pre-application advice after the first hour of staff time (Deposits may be required or interim charges made prior to application lodgement)	\$134.00/hr
Dust suppression discharge permit – existing permit holders	\$60.00
Dust suppression discharge permit – new permit applications	\$100.00
Alterations to Designations	\$500.00 Deposit
Outline plan consideration (S.176A Resource Management Act)	\$300.00 Deposit
Bond Administration Fee	\$130.00
Certificate under Overseas Investment Act 2005	\$200.00
Certificate of Compliance for Sale of Liquor Act	\$130.00
Document Execution: Documents requiring Council resolution, Certification or Council Seal e.g. S221, 226, 241, 243, RMA S321, 327A, LGA, Covenants and Caveats Plus actual cost (over 30 minutes)	\$180.00 \$134.00/hr
Lodgement fee for objections under S.357, 357A and 357B Resource Management Act 1991. Additional costs of processing objections including hearings may be charged in accordance with the general rules set out in this Schedule depending on the merits of the objection.	\$200.00
Re-inspection fee (monitoring) – due to non-compliance	\$134.00/hr
Water meter reading fee (following failed water meter returns)	\$200.00
Request for a Preparation of Plan Change	\$6,000.00 Deposit
Requirements for Designations or Heritage Orders	\$5,000.00 Deposit
Transfer of Consents to new owner (S.135(1)(a), S.136(1), S.136(2)(a), or S.137(2)(a) Resource Management Act)	\$65.00
Return of property seized under S.232 and 328	\$95.00 per item \$10.00 per week storage
Applications for Road Stopping (S.342 LGA)	\$900.00 Deposit

Building Control	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
Building Consents	
Includes issue of consent, inspections and code compliance certificate. All application for building consent shall be accompanied by a deposit of \$500.00 or the actual charge whichever is the lesser amount. The balance of any charge will be invoiced along with government and other levies when the consent is ready for issue.	
Residential Dwellings	
New Single storey	\$2,650.00
New Multi storey	\$3,320.00
Attached dwellings, including multi storey	\$4,065.00
Relocated Dwelling	\$1,300.00
Proprietary kitset buildings involving no more than two inspections (i.e. carports, kitset garages and outbuildings)	\$895.00
Minor Consents involving one inspection (e.g. log burners, solar heating panels, wetback connections and building work under value of \$2,500)	\$225.00
Additional fee per inspection	\$134.00
Residential alterations and additions	
Value:	
\$2,001 to \$19,999	\$895.00
\$20,000 to \$99,000	\$1,470.00
\$100,000 to \$999,000	\$2,340.00
All Other Building work, (Includes accessory and farm buildings, retaining walls. Excluding commercial and habitable buildings).	
Value:	
\$2,001 to \$5,000	\$590.00
\$5,001 to \$10,000	\$895.00
\$10,001 to \$19,999	\$1,140.00
\$20,000 to \$49,999	\$1,447.00
\$50,000 to \$99,999	\$1,920.00
\$100,000 to \$249,999	\$2,450.00
\$250,000 to \$499,999	\$3,187.00
Commercial Building Work (buildings requiring assessment in terms of accessibility, fire safety and those buildings accessible to the public)	
Value:	
\$2,001 to \$19,999	\$1,020.00
\$20,000 to \$99,999	\$2,165.00
\$100,000 to 249,999	\$3,350.00
\$250,000 to \$499,999	\$4,220.00

Funding Impact Statement, including Schedule of Charges (cont.)

Building Control	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
Commercial and all other building work Value: \$500,000 to \$999,999 \$1,000,000 to \$3,999,999. Deposit \$4,000,000 and not elsewhere covered.	\$4,980.00 \$5,490.00 Deposit \$6,910.00 Deposit
Demolition Permit for buildings > 60m ²	\$225.00
Amended Plans after Consent Granted and before Code Compliance Certificate.	\$225.00 Deposit
Plan Rechecking Fee A surcharge will be added when plans are returned for a third time, and any subsequent occasion, for rechecking	\$134.00
<p>* Note: It is Council policy to apply a standard charge as above, however, it reserves the right to assess individual cases as required. Additional charges may be requested by virtue of Section 219(2) of the Building Act 2004 if costs incurred exceed the standard charge. Where Building Certifiers are used, Council will discount the above charges. Applications that require consultation with New Zealand Fire Service or Historic Places Trust will have costs recovered. Review of engineer design buildings by consultant will be charged at cost.</p>	
On site wastewater only building consent	\$895.00
Associated Building Costs (GST inclusive)	
BRANZ Levy < \$20,000 assessed value > \$20,000 assessed value	Nil \$1/\$1,000 value of project
DBH Levy < \$20,000 assessed value > \$20,000 assessed value	Nil \$2.01/\$1,000 value of project
Building Certificates required under other legislation (e.g. Sale of Liquor Act 1989) Plus inspection charge (if required)	\$180.00 \$134.00
Building Warrant of Fitness Inspections Deposit if required	\$135.00 \$134.00
Compliance Schedule Issued under Section 100/106 of the Building Act 2004 for new applications and/or New Schedules Amendments Alterations to schedule linked to Building Consent	\$310.00 \$225.00 \$60.00
Change of use Application	\$215.00 Deposit

Building Control	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
Swimming Pool Building Consent Fee No Registration Fee required	\$285.00
Swimming Pool Fencing Exemption Fee Deposit (plus any additional costs associated with staff time, hearings and inspections)	\$225.00
Notice to fix	\$105.00
Where consent held	\$210.00
Where no consent is held	
Building Code Waivers Including Section 72, Section 75 decision, plus legal disbursements	\$225.00 Deposit
Application for Certificate of Acceptance (Section 97 of the Building Act 2004) has a \$720.00 deposit fee. Applicants will be charged a \$225.00 application fee, plus fees, charges or levies that would have been payable had building consent been applied for before carrying out the work. Any structural checks or other engineering checks, where appropriate will be charged out at cost. The deposit will be a down-payment towards these costs.	\$720.00 Deposit
Re-inspection for any purpose including Code Compliance Certificate.	\$134.00
Documents requiring Council resolution, certification or Council seal Plus actual cost (over 30 minutes) and any legal disbursements	\$180.00 \$134.00/hour
Certificates of Public Use – Section 363 Building Act 2004	\$315.00
Dam classification application plus consultant costs	\$160.00
Monthly Building Consent list	\$175.00 pa
Project Information Memoranda (PIM) New construction, additions/alterations	\$255.00
Territorial Authority Checking Fee (Not applicable if PIM applied for at same time as a Building Consent)	\$255.00
Lodgement fee for reviews of non-residential Development Contribution assessments included in the Development Contribution Policy	\$200.00
Development Contribution Administration Surcharge	\$35.00

Funding Impact Statement, including Schedule of Charges (cont.)

Miscellaneous	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
Land Information Memorandum requested under the Local Government Official Information and Public Meetings Act 1987	
Residential	\$240.00
Commercial/Industrial	\$365.00
Large properties involving more than one certificate of title will be quoted accordingly.	
Note: Should a special request be made that results in a field inspection and/or substantial research, Council reserves the right to charge any additional fees that are appropriate, based on the amount of time required to provide the requested information.	
Property Enquiries – Access to Council Records	
File Access	\$10.00
Files transferred to CD	\$35.00 per file
Property/Rates Printout	\$3.80 each
Note: Frequent user discount is available as follows:	
Option 1	
A lump sum of \$1,150.00 (including GST) payable annually in advance for a company gives access to an unlimited number of files.	
Option 2	
A coupon-based system. Each coupon will enable access to five site files. For residential files the cost per coupon is \$45.00 (including GST) and for commercial and industrial files, the cost per coupon is \$120.00.	
Lodgement of building report on file	\$55.00

Environmental Health	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
Food Premises	
New premises application fee	\$130.00
Premises selling pre-packaged food only	\$160.00
Where gross floor area of premises is less than 50m ²	\$340.00
Where gross floor area of premises is between 50m ² and 100m ²	\$395.00
Where gross floor area of premises is between 100m ² and 200m ²	\$430.00
Where gross floor area of premises exceeds 200m ²	\$550.00
Food premises operating an Accredited Food Control Plan	\$72.00 administration fee Plus Audit fee \$134.00/hr
Re-inspection for non-compliance	\$134.00
Food Stalls	
(a) Charity/Fundraising	No fee
(b) No Food Preparation (e.g. low risk and on selling pre-packaged food) - Annual Registration	\$50.00
(c) Food prepared in a registered kitchen (Pre-made food, muffins, preserves, includes sale of eggs) - Annual Registration	\$80.00
(d) Food Preparation/Cooking on Site (BBQs, Sandwiches, hot food, coffee, ice cream etc)	
- Annual Registration	\$155.00
- One-off or maximum of three occasions	\$80.00
Fruit and Vege @ Occasional Markets	
Registration issued to market organiser only	\$76.00
Camping Ground Registration Fee – Basic Fee	\$240.00
Plus 50c for every camp site	
Funeral Directors Registration Fee	\$240.00
Hairdressers Registration Fee	\$155.00
Offensive Trade	\$220.00
Transfer of Registration Fee	\$80.00
Late Payment Fee	Additional 20%
Trading in Public Places Bylaw 2010	
Mobile Traders	\$80.00
Hawker's Licence	\$45.00
Commercial Services	\$45.00
Soliciting Donations, selling street raffle tickets, and buskers	No fee
Registered Premises Exemption Fee Deposit (plus any costs associated with staff time, hearings, and inspections)	\$225.00

Funding Impact Statement, including Schedule of Charges (cont.)

Sale of Liquor	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
Applications involving Agency Hearing	\$280.00
BYO On Licence	\$135.00
Caterer's Off Licence	\$135.00
Club Liquor Licence	\$793.00
Liquor Off Licence	\$793.00
Liquor On Licence	\$793.00
Manager's Certificate	\$135.00
Redefinition Application	\$76.00
Re-inspection following non-compliance	\$102.00
Special Licence	\$64.00
Temporary Authority Order	\$135.00
Certificate of Free Sale	\$66.00
Gambling Venue Consent – Deposit fee only	\$320.00

Dog Control	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
Registration Fees: Urban Dogs	\$50.00
Rural	\$30.00
Seeing Eye and Hearing Dogs	No charge
Search and Rescue Dogs	No charge
Late payment fee	Additional 50%
Impounding Fees: 1st impounding	\$70.00
Neutered dogs	\$35.00
2nd impounding	\$90.00
Neutered dogs	\$50.00
3rd impounding or further impounding	\$110.00
Neutered dogs	\$65.00
Sustenance	\$13.50/day
Drop Off Fee (where dogs are not impounded)	\$30.00
Micro-chipping impounded dogs if required	\$25.00
Owners whose dog is de-sexed during the registration year following its impounding will receive a \$30 refund	
Kennel Licence: Initial Application	\$100.00
Annual Renewal	\$40.00
(plus any additional costs associated with staff time, hearings and inspections)	
Replacement registration tag or disk	\$5.00

Funding Impact Statement, including Schedule of Charges (cont.)

Resource Management: Administration, Monitoring and Supervision Charges of Resource Consents	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
Gravel/Shingle Extraction Fees	
Waimea/Wairoa Rivers	\$5.40/m ³
Wai-iti	\$5.40/m ³
Upper Motueka (including all tributaries above Baton Bridge)	\$5.40/m ³
Lower Motueka (including all tributaries below Baton Bridge)	\$5.40/m ³
Moutere	\$5.40/m ³
Riwaka/Marahau/Sandy Bay	\$5.40/m ³
Takaka and Tributaries	\$5.40/m ³
Aorere and Tributaries and other Golden Bay River	\$3.90/m ³
Buller	\$2.80/m ³
Other Rivers, Streams and Coastal Marine Area	\$3.90/m ³
Gravel extraction outside of the above-listed areas on freehold land within the river berm area inundated by an annual flood	\$2.15/m ³
Gravel extraction on freehold land outside of the river berm area inundated by an annual flood	Actual and reasonable monitoring charges at \$134.00/hr
Sand in Lower Motueka River (including all tributaries below Baton Bridge)	\$2.15/m ³
Coastal Structures – Annual Charges	
Coastal Structures per consent: Aquaculture Activity	
0 – 10 lines	\$445.00
each additional line	\$28.00
other structures (excluding structures that extend landward of MHWS)	\$95.00
Water Permit Annual Charges	
For stock water, private domestic use, fire fighting, cooling, private community water supplies, recreational uses, seawater takes and permits to take water to or from an irrigation dam, reservoir, pond, seepage hole or embayment irrespective of the quantity authorised.	\$125.00
For all other permits to take water, the fee is based on the daily quantity of water authorised as set out below.	
Less than 250 m ³ /day	\$175.00
250 – 499 m ³ /day	\$246.00
500 – 999 m ³ /day	\$345.00
1,000 – 2,499 m ³ /day	\$465.00
2,500 – 4,999 m ³ /day	\$760.00
5,000 – 14,999 m ³ /day	\$1,305.00
15,000 – 49,999 m ³ /day	\$2,850.00
50,000 – 299,999 m ³ /day	\$8,550.00
300,000 m ³ /day or more	\$23,295.00
A discount of 33% shall apply to permits in the Upper Buller and Aorere West Coast Water Management Zones for the above water permit annual charges.	

Resource Management: Administration, Monitoring and Supervision Charges of Resource Consents	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
Waimea Water Augmentation Feasibility Study – An additional monitoring surcharge for permit holders in the Delta, Waimea West, Golden Hills, Lower Confined, Reservoir, Hope and Upper Confined Water Management Zones will be as follows:	
	Surcharge
Less than 250 m ³ /day	\$192.50
250 – 499 m ³ /day	\$223.50
500 – 999 m ³ /day	\$327.50
1,000 – 2,499 m ³ /day	\$515.00
2,500 – 4,999 m ³ /day	\$940.00
5,000 – 14,999 m ³ /day	\$1,575.50
15,000 – 49,999 m ³ /day	\$3,457.00
50,000 m ³ /day or more	\$9,969.00
Water Meter Levy on consented takes where meter is required to be installed	\$95.00/meter
For Permits to Dam Water	\$45.00
Discharge Permits (Water or Contaminant) Annual Charges	
Permits to discharge scour water from dams and pipelines, for water resource augmentation, spillway and compensation flows, minor cooling water discharges, minor spraying operations and flood/drainage discharges and stormwater related to commercial and industrial activities	\$95.00
Dairy shed and piggery discharges (including laboratory costs)	\$345.00
Fish Farming	
Less than 1,000 m ³ /day authorised discharge	\$95.00
1,000 – 4,999 m ³ /day	\$235.00
5,000 – 14,999 m ³ /day	\$645.00
15,000 – 49,999 m ³ /day	\$1,320.00
50,000 – 99,999 m ³ /day	\$3,300.00
100,000 m ³ /day or more	\$4,350.00
Food Processing Industries (including by way of example, abattoirs, fish processing, vegetable processing, dairy factories, wineries)	
Untreated waste to water	
Authorised at less than 200 m ³ /day	\$665.00
200 – 999 m ³ /day	\$1,915.00
1,000 m ³ /day or more	\$3,790.00
Semi-treated/screened waste to water	
Authorised at less than 200 m ³ /day	\$315.00
200 – 999 m ³ /day	\$950.00
1,000 m ³ /day or more	\$1,915.00
Fully treated/unpolluted waste to water or discharge	
Authorised at less than 200 m ³ /day	\$95.00
200 – 999 m ³ /day	\$195.00
1,000 m ³ /day or more	\$390.00
Gravel Wash and Mining Discharges	
Less than 1,000 m ³ /day authorised	\$235.00
1,000 – 2,999 m ³ /day	\$390.00
3,000 m ³ /day or more	\$650.00
Sawmills, Timber Processing Discharges	\$235.00

Funding Impact Statement, including Schedule of Charges (cont.)

Resource Management: Administration, Monitoring and Supervision Charges of Resource Consents	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
Power Generation Discharges	
Less than 1,000 m ³ /day authorised	\$95.00
1,000 – 4,999 m ³ /day	\$235.00
5,000 – 24,999m ³ /day	\$480.00
25,000 – 299,999 m ³ /day	\$690.00
300,000 m ³ /day or more	\$4,405.00
Sewage Effluents:	
Residential dwellings with septic tank systems on single title are exempt.	
	Primary treated septic tanks
Less than 50 m ³ /day authorised	\$350.00
50 – 99 m ³ /day	\$653.00
100 – 999 m ³ /day	\$1,340.00
1,000 – 9,999m ³ /day	\$3,170.00
10,000 m ³ /day or more	\$5,480.00
	Secondary treated oxidation ponds
Less than 50 m ³ /day authorised	\$340.00
50 – 99 m ³ /day	\$520.00
100 – 999m ³ /day	\$930.00
1,000 – 9,999 m ³ /day	\$1,325.00
10,000 m ³ /day or more	\$2,205.00
	Tertiary treated/ land disposal
Less than 50 m ³ /day authorised	\$300.00
50 – 99 m ³ /day	\$435.00
100 – 999m ³ /day	\$490.00
1,000 – 9,999 m ³ /day	\$665.00
10,000 m ³ /day or more	\$1,050.00
Tip Leachate, Contaminated run-off, Emergency wastewater or Industrial discharge	\$465.00
Discharges to land under Section 15(1)(d)	\$95.00
Discharge Permits (Air) Annual Charges	
Major air discharges (former Pt A [Clean Air Act] activities)	\$3,525.00
Minor air discharges (former Pt B [Clean Air Act] activities)	\$655.00
Minor Air Discharges (former Pt C [Clean Air Act] activities)	\$195.00

Commercial Operator's Licence	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
Application Fee Payable on initial application and in addition to the annual fee: (plus reimbursement for any reasonable and necessary additional costs incurred by Council in assessing an application, e.g. evaluation of seaworthiness, qualifications and experience).	\$200.00
Annual Fee For each multiple of either one power-driven vessel or up to a total of 15 kayaks, rafts, waka or similar vessels that are not power-driven with greater than 10hpw.	\$260.00
Late Payment Fee	Additional 20%

General Rules Applying in Respect of Charges
Charges will include all reasonable staff time associated with processing and assessing applications, excluding staff travel time to and from the site of the application and/or consent holder. Staff time will be charged at \$134.00 per hour inclusive of overhead component and GST from 1 July 2011. Costs associated with consent processing and assessment such as use of consultants and laboratory costs, where these skills cannot be provided by in-house staff, will be recovered at actual costs. This policy also applies to the monitoring of consent conditions where an annual charge is not made or where costs exceed the payable annual charge and Council elects to recover the difference.
Annual charges shall be due on 1 December or 30 days from the date of invoicing, whichever is the later, unless otherwise agreed in writing by Council. A standard administration fee of \$95.00 will be applied when a consent is deemed by the Council as not currently given effect to and the ability to give effect is not currently present.
Council reserves the right to require further deposits, interim payments or advance payments of amounts to be determined by the Resource Consents Manager or the Environment & Planning Manager if processing activity is protracted over time or will incur costs over and above the listed deposit or standard fees.
Where all or part of any deposit or charge is not paid, Council reserves the right not to process that application, or not to continue processing that application, in accordance with relevant statutory powers.
Reductions and waivers are generally not available. Reductions might be justified where the person liable to pay any charge reduces the costs to Council of carrying out its functions, including through self-regulation checks approved by Council.
There will be no charge on parties who choose to surrender a resource consent and provide written confirmation.
Where multiple resource consents are sought or required for related activities, the standard application lodgement fees (deposits) shall apply for each consent, except that the notification lodgement fee shall comprise one full deposit (\$5,000) plus 20 percent for each accompanying application, provided that the Manager Consents or the Environment and Planning Manager have discretion to determine a lesser total lodgement fee when there are large numbers of separate consents required.
A 50% rebate applies to the annual charges for consents with consent-specific monitoring programmes where monitoring costs are being recovered separately. Specific arrangements will be made in relation to approved self-regulation inspections.
A \$25.00 (GST inclusive) discount applies per consent to dam where the consent holder also holds additional permits for a surface water take, where the additional surface water take is a take to storage or a take from storage.
A 50% discount applies to permits to take water if the take only occurs between May and October and goes to storage
Where a consent is being renewed and the activity is continuing, the applicant shall continue to be liable to pay any annual and/or monitoring charge.
Hydroelectric power generation, suction dredging, and land based fish farming annual charges will be based on the discharge and not the take as long as the take and discharge are of equal volume. If there is a consumptive off-take then that portion of the take will attract the annual charge as for other consumptive takes. Consents to take will still attract the minimum standard water permit annual charge.
Annual charges levied on holders of resource consents will be recovered whether permits are exercised or not.
The cost of Councillor hearing panels are set by the Remuneration Authority and will be charged accordingly. Commissioner costs shall be charged at actual costs incurred. Where submitters request that a matter proceed to a hearing before independent Commissioners they shall meet the costs additional to those incurred had the matter have been heard by a panel of Councillors on the same time basis.

Funding Impact Statement, including Schedule of Charges (cont.)

Solid Waste Charges	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
RUBBISH BAGS (TDC sale price):	
Small bags (45 litres)	\$1.70 each
Big bags (60 litres)	\$2.00 each
MIXED REFUSE:	
Account customers and vehicles over 3,500kg gross, where a Council provided weighbridge is available (includes \$10 central government levy)	
Richmond Resource Recovery Centre	\$103.50 per tonne
Mariri Resource Recovery Centre	\$110.40 per tonne
Takaka Resource Recovery Centre, Murchison Resource Recovery Centre	\$118.45 per tonne
Other vehicles (Richmond, Mariri, Takaka, Collingwood, Murchison)	\$49.45 per m ³
Greenwaste	\$18.40 per m ³
HARDFILL (WHERE ACCEPTED)	
Where a Council provided weighbridge is available	\$19.55 per tonne
At other sites	\$39.10 per m ³
SCRAP METALS:	
Scrap steel (sheet)	No charge
Car bodies and other vehicles	No charge
Whiteware	\$5.75 each
RECYCLABLES (WHERE ACCEPTED):	
Domestic customers and quantities less than 1.0m ³	No charge
Glass (bottles) – clean, colour sorted, where a Council provided weighbridge is available	\$25.30 per tonne
Glass (bottles, whole) – clean, colour sorted, other locations	\$8.05 per m ³
Glass – mixed colour or contaminated	At mixed refuse charge
Paper and cardboard (Richmond and Takaka only)	No charge
Other materials	By arrangement
TYRES:	
Car	\$7.60 each
Car tyres on rims	\$16.10 each
Truck	\$23.00 each
Loader/Tractor or similar	\$51.80 each
HAZARDOUS WASTE:	
Oils and Solvents	No charge
Gas cylinders	No charge
Batteries	No charge
Other materials	At disposal cost
EVES VALLEY LANDFILL CHARGES:	
Approved special wastes	\$184.00 per tonne
Special burial and documentation	At cost
Light wastes (polystyrene and similar)	\$69.00 per m ³
Marine Waste (shells)	\$69.00 per m ³

Note: Solid Waste Charges may be amended at any stage during the year by Council resolution. Council will advise the public of the changes through public notification at least one month prior to the new charges taking effect.

Engineering Charges	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
PERMIT FEES	
Vehicle Access Crossing (urban)	\$125.00
Vehicle Access Crossing (rural)	\$125.00
Road Opening Permit – perpendicular to road	No longer applicable. Replaced by Corridor Access Request (CAR)
Road Opening Permit – parallel to road	No longer applicable. Replaced by CAR
Corridor Access Request (CAR) – in accordance with the Utilities Access Act 2010 and as part of a Code for the Management of a Road Corridor.	\$225.00
Water Tanker Permit (To comply with Council's Water Supply Bylaw 2009)	\$1,085.00 pa plus the current water rate per cubic metre for water consumed.
Fencing on road reserve (also gates, other structures)	\$305.00 plus inspection costs
Licence to Occupy Road Reserve Application Fee	\$237.00
Parking permit	\$34.00/day
Application for Tourist Facility Sign (\$100 refunded if consent refused)	\$179.00 plus actual costs
Fencing between private and Tasman District Council land	Half actual cost per linear metre or \$44.00 per metre (inclusive of GST) whichever is the lower.
Road Closure (events, parades)	\$316.00 (or actual costs for inspections and public notifications) plus \$2,000.00 bond plus insurance and public liability cover.
Officer's Inspection Fees	\$134.00/hour
Engineering Standards	\$98.00

Funding Impact Statement, including Schedule of Charges (cont.)

Water Connection Charges

All rural extensions off urban supplies

Payable by a property that connects to the low pressure supply in one of the Group Account Rural Extension areas.

Connection Charge	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
Connection per property	\$4,012.00 plus outwork plus admin

All Urban Supplies

Payable by all urban areas that form the Group Water Account.

Connection Charge	
All urban areas	\$1,452.00 plus outwork plus admin
Special water reading fee	\$55.00 per reading

Rural Water Supply Connection Charges

This is the fee payable to connect to the scheme, for:

Connection Charge	
Dovedale Redwood Valley Eighty-Eight Valley	Only if capacity is available
First Unit Additional Units	\$4,012.00 plus outwork plus admin \$700.00/unit plus outwork plus admin

Water Supply Charges

A new services agreement is planned between Nelson City Council and Tasman District Council, for the supply of water to Nelson City ratepayers in the area of Champion Road, Garin College and the Wakatu Industrial Estate. Tasman District Council currently supplies water to these users, but under individual supply arrangements. The proposed agreement is for the supply of water to Nelson City Council, rather than to individual residents and businesses. If the proposed agreement proceeds, Nelson City Council will be responsible for the supply of water

directly to its ratepayers who are currently supplied by Tasman District Council. The cost of the water supply from Tasman District Council to Nelson City Council is proposed to be the same as to rating units with a metered connection in Richmond.

The water supply agreements between the Council, Nelson Pine Industries Limited, ENZA Foods New Zealand Limited and Alliance Group Limited (Industrial Water Users) expired on 30 June 2010. The Council and the Industrial Water Users have not agreed on the terms of water supply beyond the expiry date and that dispute will be referred to arbitration. The Industrial Water Users currently pay the Council 35.47 cents per cubic metre of water supplied. The Council desires to set the same rates in relation to the rating units owned by Nelson Pine Industries Limited as it does for other rating units with a metered connection in Richmond. The Council also desires that Nelson City Council takes over responsibility for the supply of water to all properties within Nelson City currently supplied with water by Tasman District Council, including ENZA Foods New Zealand Limited and Alliance Group Limited, with the cost of the water supply from Tasman District Council to Nelson City Council being the same as for rating units with a metered connection in Richmond.

If the new services agreement does not proceed then the charges for water supplied by the Council to rating units in Nelson City, excluding the ENZA Foods New Zealand Limited site and the Alliance Group Limited site, will be the same as rating units with metered connections in Richmond (per cubic metre supplied) which is \$1.50 (excl GST) for 2011/2012 (2010/2011 \$1.28 excl GST). In addition, these properties are charged a fixed daily amount of 51.89 cents (excl GST) per day for 2011/2012 (2010/2011 44.99 cents excl GST per day).

Funding Impact Statement, including Schedule of Charges (cont.)

Wastewater Connection Charges

District wide connection fees for new connections outside existing Wastewater UDAs	\$2,927.00 at building consent plus outwork plus admin
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Wastewater Connection Fees for new connections within UDAs

Richmond, Wakefield, Brightwater, Hope , St Arnaud, Mapua, Ruby Bay, Kaiteriteri, Riwaka, Murchison, Motueka, Takaka, Collingwood and Tapawera	\$1,453.00 at building consent plus outwork plus admin
Pohara	Rated for Capital Costs plus outwork plus admin

Wastewater trade waste charges

Conveying based on rate of discharge	\$8.30 per annum per litre per second
Treatment based on BODs	\$930 per annum per kilogram BOD per day
Wastewater pan charge	Equates to wastewater – operation and maintenance charge as set out in the Annual Plan
Method B – Definition ‘C’. Cost to convey and treatment of sewerage	Equates to water supply – metered connections as set out in the Annual Plan

Administration charge items and terms

Trade Waste Discharges	Terms	
Temporary discharge charge	A charge payable prior to receipt of temporary discharge	\$360.00
Trade waste application charge	A charge payable on an application for a trade waste discharge	\$360.00
Annual trade waste consent charge	Annual management charge for holders of trade waste consents to cover Council's costs associated with <ol style="list-style-type: none"> 1 Administration 2 Compliance monitoring 3 Inspection of consents 	\$360.00

Motueka Aerodrome			(GST incl)
Aircraft Type	General Aviation User Charges (through honesty box)	Aerodrome Operators Charges (invoiced monthly)	Aerodrome Operators Charges (Advance Annual Payment Option) (Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%)
Single Engine	\$5.50	\$55.00/month/aircraft	\$610.00
Twin Engine	\$8.00	\$80.00/month/aircraft	\$925.00
Helicopter	\$5.50	\$55.00/month/aircraft	\$610.00
Microlight/ Homebuilt	\$5.50	\$40.00/month/aircraft	\$450.00
Glider	\$5.50	\$40.00/month/aircraft	\$450.00

NB: General Aviation User charges not paid through honesty box will incur a \$25.00 administration fee

Aircraft Parking Charges for Visiting Aircraft

AIRCRAFT TYPE	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15% (payable through honesty box)
Small Engine	\$5.50 per day or \$500.00 pa
Twin Engine	\$8.00 per day or \$760.00 pa
Helicopter	\$5.50 per day or \$500.00 pa
Microlight/Homebuilt	\$4.40 per day or \$400.00 pa
Glider	\$4.40 per day or \$400.00 pa

NB: parking charges not paid through honesty box will incur a \$25.00 Administration fee

SPECIAL CHARGES

Special charges will be levied on activities such as driver training, drag racing and other activities not related to aircraft movements. These will be at the discretion of the Chief Executive Officer and will be evaluated on their own merit.

Notes:

- Interest charge of 12% per annum will be applied on a daily basis on any charges that remain unpaid at the end of the month of invoicing.
- An aerodrome movement is defined as on/in the operational airspace and below 150 feet airport ground level.
- These charges are to be reviewed on an annual basis.
- Council is currently reviewing the charging regime for the Motueka Aerodrome and will undertake local consultation should this review recommend any changes.

Funding Impact Statement, including Schedule of Charges (cont.)

Wharfage and Berthage (all rates are GST inclusive, unless stated otherwise)

Berthage of a vessel at a Council-owned Wharf:	
Commercial vessels and private recreational vessels (including fishing vessels, marine farming vessels, commercial passenger and/or cargo vessel)	
Period over which charge applies	Rate
Passengers over the wharf (where no vessel berthed)	\$5.00 per person, over 5 years of age
Casual (daily)	\$3.50 per metre or 25 cents per gross registered tonnage, whichever is the greater, plus port charges (security, line party, etc)

Note: the charges may be varied by the Chief Executive where special circumstances exist.

Berthage of a vessel at a Council-owned facility other than a wharf:		
Type of berth and vessel	Minimum length charged	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15% (annual unless otherwise stated)
Marina: recreational	8 metres	\$240 per metre
Piled walkway, commercial	8 metres	\$215 per metre
Floating up to 15 metres, commercial	10 metres	\$265 per metre
Floating over 15 metres, commercial	16 metres	\$305 per metre
Restricted access	8 metres	\$184 per metre
Recreational visitor on mooring or marina berth, vessel 15 metres or less		\$15 per day
Recreational visitor on mooring or marina berth, vessel more than 15 metres		\$20 per day
Fore and aft mooring: outer arm		\$1,073
Live aboard		\$55 per month plus outgoings

Fuel Facilities	Charges applicable 1 October 2011 to 30 June 2012 including GST at 15%
Pump sited on Council wharf, or property at Tarakohe. The lump sum charge is in lieu of wharfage.	\$3,680 per year
Elsewhere, and excluding wharfage.	\$50 per year
Boat Storage Compound	\$20 per week \$70 per month \$598 per annum

Wharfage for Ports of Tarakohe and Mapua		Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
Type of cargo		Rate
Fish and shellfish	Includes all marine animals	\$10 per tonne
Mussel and spat	Alternative backbone levy	Subject to negotiation with aquaculture farmers but not less than \$1.02/m for mussels and 30c/m for spat
Ring road	Alternate to wharfage	
Other, including general cargo	Rates for large bulk by negotiation	\$3.80 per tonne
Fuel (other than use of fixed facility)	Fuel transfer only	1 cent per litre

Note: Backbone line and ring road levies are an alternative annual levy to payment of wharfage and will be subject to annual negotiation to ensure levies are comparable to relevant wharfage charges. If these levies are not agreed, berthage and wharfage charges will apply. These charges may be amended at any stage during the year by Council resolution.

Demurrage/storage* at Port Tarakohe		Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
Type of storage	Period for application of charges	Rate
Open storage	Daily	\$1/m ² or per tonne whichever is the greater
Fenced storage	Daily	\$1.50/m ²
Standard rubbish skip	Annual	\$510
	Monthly	\$25
20' TEU container	Annual	\$2,045
	Monthly	\$205
40' FEU container	Annual	\$4,090
	Monthly	\$410

* Notes: no storage is permitted on wharf structures unless specifically authorised. Demurrage/storage rates apply after 36 hrs of cargo/material arriving (allowance to be made for extenuating circumstances such as bad weather). Storage to be in assigned areas only. Bulk cargo in transit may have extended demurrage with approval of the Tarakohe Harbour Manager.

Trans-shipment of cargo at sea	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
Cargo, Goods, Merchandise or other Material	\$0.25 per tonne

Funding Impact Statement, including Schedule of Charges (cont.)

Tasman District Council Cemetery Charges	
Type	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
Plot – Purchase Right of Burial	
RSA	No fee
New Plot – 12 years and over	\$790.00
Natural Burial - Standard Plot Size	\$790.00
Natural Burial - Large Plot Size	\$1,580.00
Children's Areas where set apart	
Child 5-12 years	\$474.00
Child 0-5 years	\$105.00
Stillborn	No fee
Out of District Fee on any Burial Plot – extra to above	\$790.00
Ashes – Purchase Right of Burial	
RSA	No fee
Rose Garden – all ages	\$369.00
Tree Shrub Garden – all ages	\$369.00
Ash Berm – all ages	\$369.00
Stillborn	No fee
Out of District Fee on any Ash Plot – extra to above	\$369.00
Richmond Memorial Wall Plaque Space	\$158.00
Richmond Memorial Wall Plaque Space - Out of District Fee	\$263.00
Burial Interment Fees	
RSA	\$610.00
Interments – 12 years and over	\$610.00
Child – 5-12 years	\$395.00
Child – 0-5 years	\$127.00
Stillborn	No fee
Disinterment	Actual cost
Sunday & Public Holiday extra charge – all ages	\$263.00
Ash Interment Fees	
All ash plots in all cemeteries – all ages	\$127.00
Disinterment – ashes	Actual cost
Sunday and Public Holidays extra charge – all ages (if contractor attendance is required)	\$85.00

Corporate Charges	
GIS Map Prices (per copy)	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
A4 black and white	\$5.00
A4 colour	\$10.00
A3 black and white	\$10.00
A3 colour	\$15.00
A2 black and white	\$15.00
A2 colour	\$20.00
A1 black and white	\$20.00
A1 colour	\$30.00
A0 black and white	\$25.00
A0 colour	\$40.00
A4 black and white – Subsequent copies	\$2.00
A4 colour – Subsequent copies	\$5.00
A3 black and white – Subsequent copies	\$5.00
A3 colour – Subsequent copies	\$7.00
A2 black and white – Subsequent copies	\$5.00
A2 colour – Subsequent copies	\$9.00
A1 black and white – Subsequent copies	\$7.00
A1 colour – Subsequent copies	\$12.00
A0 black and white – Subsequent copies	\$9.00
A0 colour – Subsequent copies	\$15.00
Electronic files (e.g. Maps and GIS data in electronic format)	\$134.00 per hour
CD/DVD Media	\$5.00 1 st , \$1.00 thereafter
Official Information Requests Staff time will be charged out at a rate of \$134.00 per hour after the first half hour in responding to a request. Copying will be charged out at the normal rate applicable.	\$134.00/hr

Funding Impact Statement, including Schedule of Charges (cont.)

Photocopying	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
First 20 pages for requests under the Official Information Act	Free
Additional copies:	
A4 black and white	
Single sided	20c
Double sided	40c
A3 black and white	
Single sided	40c
Double sided	70c
Colour copies A3 and A4	\$2.00
Laminating	
A4 Pouches	50c
A3 Pouches	70c
Binding	
Spiral Binding:	40c/document
Clear plastic cover	20c
Card back	20c
Plastic spiral	10c

Library Charges	Charges applicable 1 July 2011 to 30 June 2012 including GST at 15%
Loans	
New adult books – three week loan	\$1.00
All magazines in adult section – three week loan	20c
Music CDs – three week loan	\$1.00
DVDs – two week loan	\$4.00
Reserves and Requests	
Reservation within Tasman District Libraries	\$2.00
Requests (interloan) outside Tasman District – minimum charge, see leaflet for details	\$5.00
Overdue items	
Adult Member	
After due date	\$1.00
Two weeks late	\$3.00
Four weeks late	\$5.00
Junior Member	
After due date	50c
Two weeks late	\$1.50
Four weeks late	\$2.50
Replacement Membership Card	\$3.00
Damaged Administration Fee (if charged)	\$5.00 per item
Lost Book Administration Fee (non-refundable)	\$8.00 per item



Part 5 – Policy Summaries

Policy Summaries

The full policies are outlined in Volume 2 of the Ten Year Plan.

Treasury Management Policy

Objective of the Policy

To implement policy and financial management that will yield competitive advantage to the people of the Tasman district.

Council's goals to achieving this objective are:

- Accurate, transparent accounting and cashflow reporting.
- To provide timely and accurate information to Council operating committees.
- To act in accordance with Council delegated responsibility for all financial matters.
- Ensure that Council investment expenditure is justified by a pre-determined recovery of capital, or a return on investment at an established rate in either cash or public good.
- The value of Council owned assets to be costed into annual operating expenses of each activity.
- To manage Council investment portfolio and advise on the use of those revenues generated.
- To ensure Council compliance with statutory obligations.
- To advise Council on risk management obligations in the protection of its ratepayers assets.
- To ensure that financial planning will not impose unnecessary burdens on future ratepayers of Tasman District.

Policy on Remissions for Sporting, Recreation or Community Organisations

Objective of the Policy

The objectives of the policy are to:

- Facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities for the residents of Tasman District.
- Assist the survival of non-profit organisations.
- Make membership of the organisation more accessible to the general public, particularly disadvantaged groups including children, youth, young families, the elderly, and economically disadvantaged people.

Policy on Remission of Rates on Land Protected for Natural Conservation Purposes

Objective of the Policy

To preserve and promote natural resources to encourage the protection of land for natural purposes. This policy will support the provisions of the Tasman Resource Management Plan.

Policies are set in place to help guide decisions and achieve rational outcomes...

Policy on School Wastewater Charges

Objective of the Policy

To provide relief and assistance to educational establishments in paying wastewater charges.

Policy on Remission of Excess Metered Water Rates

Objective of the Policy

To provide relief to ratepayers who have excessive metered water rates due to a leak in their internal reticulation and to encourage ratepayers to get all leakage repaired promptly.

Policy on Penalty Remissions

Objective of the Policy

To enable Council to act fairly and reasonably in its consideration of rates which have not been received by Council by the penalty date due to circumstances outside the ratepayer's control.

Policy on Remission of Uniform Charges on Non-Contiguous Rating Units Owned by the Same Ratepayer

Objective of the Policy

This policy aims to provide relief from uniform charges for rural land which is non-contiguous, farmed as a single entity and owned by the same ratepayer.

Policy on Uneconomic Balances

Objective of the Policy

To avoid collecting rates which are not economic to collect.

Policy on Rate Relief for Maori Freehold Land

Council is required to adopt a policy on remission and postponement of rates on Maori freehold land with Sections 102, 108 and Schedule 11 of the Local Government Act 2002.



Policy Summaries (cont.)

Policy for Payment of Rates for Subsequent Financial Years

Objective of the Policy

This policy is made under Section 56 of the Local Government (Rating) Act 2002 in respect of sums that may be paid in a financial year in anticipation of a liability for one or more targeted rates or for targeted rates for one or more specified functions, in subsequent financial years.

Policy on Significance

Objective of the Policy

Pursuant to Section 90 of the Local Government Act 2002, Council adopted a Policy on Significance setting out:

- a) Council's general approach to determining the significance of proposals and decisions in relation to issues, assets or other matters; and
- b) Any thresholds, criteria, or procedures that are to be used by the local authority in assessing the extent to which issues, proposals, decisions or other matters are significant.

This policy lists the assets considered by Council to be strategic assets.

Policy on the Commitment of Council Resources to Partnerships with the Private Sector

Objective of the Policy

Section 107 of the Local Government Act 2002 requires a local authority to develop a policy relating to the commitment of local authority resources to partnerships between the local authority and the private sector.

This policy sets out the circumstances and terms of the commitment of Council resources to partnerships with the private sector, and when partnerships will or will not be considered.

Statement on Fostering Maori participation in Council Decision-Making

Objective of the Policy

This statement outlines the steps Council intends to take to foster Maori capacity to contribute to Council decision-making processes over the period of Council's Ten Year Plan 2009-2019, as required by Schedule 10(5) of the Local Government Act 2002.

Development Contribution Policy

It is Tasman District Council's intention that developers should bear the cost of the increased demand that development places on the District's infrastructure. Population growth in the District will place a strain on network and community infrastructure. That infrastructure will need to expand and be further developed in order to cope with the demands of population growth.

Through the policy Tasman District Council is seeking to set development contributions in a transparent and consistent manner and at a level that requires a fair share of the capital expenditure for infrastructure to be met by those who are creating the new demand for infrastructure in the District.

The policy sets out the development contributions payable by developers, how and when they are to be calculated and paid, and a summary of the methodology and rationale used in calculating the level of contributions. The policy provides for an annual inflation increase on the development contribution payable. It also includes a summary of the significant assumptions that the policy is based on.

Revenue and Financing Policy

The Revenue and Financing Policy explains "who pays and why". It explains how Council activities are funded. It is not about what Council does, nor is it about what it costs. Revenue sources include rates, fees, charges, subsidies and investments.

Water and Sanitary Services Assessments Summary

The Water and Sanitary Services Assessment is an assessment of water and sanitary services in the Tasman District. The Council is required to carry out this assessment under the Local Government Act 2002. It looks at both Council owned services and privately owned services relating to:

- Water supply
- Sewerage and sewage disposal
- Stormwater disposal
- Public toilets
- Cemeteries/crematoria

The aim is to assess the adequacy of these services, both now and for the future.

Waste Management Plan Summary

Council adopted the Tasman District Council Waste Management Plan on 27 November 2003, by resolution of the Engineering Services Committee.

The full Waste Management Plan is available from Council offices.

Rating Maps

Rating maps for Council rates are included in Volume 2 of the Ten Year Plan 2009-2019.



Part 6 – Appendices

Appendix 1: Glossary of Terms

To further assist readers of these financial statements, the following definitions of other terms used in the document are set out below:

Annual Plan

A plan required by the Local Government Act 2002 to be produced by Council in the two intervening years between each three-yearly Long Term Council Community Plan (Ten Year Plan). The main purpose of the Annual Plan is to identify any amendments and variations to the specific year of the base Long Term Council Community Plan.

Annual Report

Annual Reports are published following the end of each financial year which ends on 30 June. It is an audited account of whether Council completed its planned work programme. Any work not completed as planned is explained. The Annual Report is a key method for Council to be accountable to the community for its performance.

Activity Management Plans

Activity Management Plans (which are the 'new generation' of Asset Management Plans) describe the infrastructural assets of Council and outline the financial, engineering and technical practices to ensure the assets are maintained and developed to meet the requirements of the community over the long term. Activity Management Plans focus on the service that is delivered as well as the planned maintenance and replacement of physical assets.

Associate

An associate is an entity over which Tasman District Council has a significant influence and that is neither a subsidiary nor an interest in a joint venture.

Assumptions

Assumptions are the underlying premises made by Council that affect its financial planning for a specific activity, or for all Council activities. These are made clear so everyone can understand the basis for Council's financial planning, and form an opinion about how reasonable those assumptions are.

Capital Expenditure

This expenditure relates to the purchase or creation of assets that are necessary to assist in the provision of services. They have useful lives in excess of one year and are therefore included in the Statement of Financial Position. Capital expenditure includes the creation of assets that did not previously exist or the improvement or enlargement of assets beyond their original size and capacity.

Capital Value

Capital value is the value of the property including both the value of the land and any improvements (e.g., buildings) on the land.

Community

Community means everyone in Tasman District: individuals, businesses, local and central government, groups and organisations, iwi, Māori, disabled, young, old, families, recent migrants and refugees, rural and urban residents.

Definitions of terms used are set out to assist readers...

Communitrak Survey

The Communitrak Survey is the survey of residents' opinions that the Council has undertaken annually by an independent research agency.

Community Outcomes

Community outcomes are the priorities and aspirations identified by the community that it desires for the present and future social, economic, environmental and cultural well-being of the community. The process of identifying these outcomes allowed the community to discuss the relative importance of priorities, and provides for the measurement of progress towards achieving the outcomes. The community outcomes promote better co-ordination and application of community resources and guide the setting of priorities by the Council and other organisations.

Consultation

Consultation is the dialogue that comes before decision-making. Consultation is an exchange of information, points of view and options for decisions between affected and interested people and the decision makers.

Cost of Services

The cost of services relate to the activity, not the organisational departments. The Local Government Act 2002 requires the Ten Year Plan to be expressed by the activity. The cost of the activity includes the direct and the indirect costs that have been allocated to the activity. Indirect costs include interest on public debt, cost of support services and depreciation allowances.

Council-Controlled Organisation

As defined by Section 6 of the Local Government Act 2002, a company under the control of local authorities through their:

- Shareholding of 50 percent or more.
- Voting rights of 50 percent or more; or
- Right to appoint 50 percent or more of the directors.

Depreciation

The decline in service potential of an asset spread over the useful life of the asset.

Financial Year

Council's financial year runs from 1 July to 30 June the following year.

General rate

A general rate is a district wide rate through which all ratepayers contribute to a range of council activities and is based on the capital value of ratepayers properties.

Income

This includes fees and licences charged for Council's services and contributions towards services by outside parties.

Infrastructure

Networks that are essential to running a district, including the roading network, water supply and wastewater and stormwater networks.



Appendix 1: Glossary of Terms (cont.)

Infrastructure Assets

These are assets required to provide essential services like water, stormwater, wastewater and roading. They also include associated assets such as pump stations, treatment plants, street lighting and bridges.

Levels of Services

The standard to which services are provided, such as speed of response times to information requests or the standard of the stormwater drainage system that prevent incidents of surface water flooding. It is what the Council will provide.

LiDAR (Light Detection and Ranging)

LiDAR is optical remote sensing technology that measures properties of scattered light to find range and/or other information of a distant target. The prevalent method to determine distance to an object or surface is to use laser pulses.

Long Term Council Community Plan

The Local Government Act 2002 requires Council to adopt a Long Term Council Community Plan (LTCCP) – in this document we have referred to it as the Ten Year Plan. The Ten Year Plan outlines Council's intentions over a 10 year period. The Ten Year Plan requires extensive community consultation, the identification of community outcomes and priorities, and the establishment of monitoring and review mechanisms.

Long Term Plan

The Local Government Act 2002 was amended in 2010 to change the name of a Long Term Council Community Plan to a Long Term Plan. This name change takes effect from the 2012 Long Term Plans. However, Council refers to its Long Term Plan as the Ten Year Plan.

Major Goals

These highlight specific significant outcomes of the activity and what is intended to be achieved. The objectives are in some cases encompassing more than just the current financial year but are considered important enough in terms of providing an overall picture to be included in the plan.

Operating Costs

These expenses, which are included in the Prospective Income Statement, are the regular costs of providing ongoing services and include salaries, maintaining assets, depreciation and interest. The benefit of the cost is received entirely in the year of expenditure.

Park Check

Park Check is based on a nationally developed questionnaire which is implemented by participating councils. The questionnaire asks park users a range of questions about the parks and their experiences. The results of the questionnaires are collated at the national level and the information is then made available to the councils.

Performance Targets

These are the measures that will be used to assess whether the performance has been achieved.

Separately Used or Inhabited Parts of a Rating Unit

Where targeted rates are calculated on each separately used or inhabited part of a rating unit the following definition will apply:

Any portion of a rating unit used or inhabited by any person, other than the ratepayer or member of the ratepayer's household, having a right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement.

Solid Waste

Waste products of non-liquid or gaseous nature (for example, building materials, used packaging, household rubbish).

Stormwater

Water that is discharged during rain and run-off from hard surfaces such as roads.

Sustainable Development

"Development which meets the needs of the present without compromising the ability of future generations to

meet their own needs" (from the Sustainable Development for New Zealand Programme of Action, Department of Prime Minister and Cabinet, January 2003).

Targeted Rate

A targeted rate is designed to fund a specific function or activity. It can be levied on specific categories of property (e.g. determined by a particular use or location) and it can be calculated in a variety of ways. It may also cover a distinct area of beneficiaries.

Ten Year Plan

Long Term Council Community Plan 2009–2019 is a cumbersome term, so Tasman District Council is calling our LTCCP the "Ten Year Plan".

Uniform Annual General Charge (UAGC)

A UAGC is a portion of the general rate collected as a fixed charge per rateable property. It is deemed that the properties receive equal benefit for services charged regardless of the rateable value of the properties, e.g. use of parks, reserves and libraries.

Unitary Authority

Tasman District Council is a unitary authority, which means we carry out the functions of both a regional council and a territorial authority.

Wastewater

Wastewater is the liquid waste from homes (including toilet, bathroom and kitchen wastewater products) and businesses.

Yardstick™

Yardstick™ is an international parks benchmarking initiative. It involves council parks departments participating in an annual self-assessment survey. Information collected includes levels of service, financial information, best practice, asset management and policy and planning. The information is collated at the national level and made available to the councils. Over half of the councils in New Zealand are members, as is the Department of Conservation.



Wharariki

Appendix 2: Examples of Additional Requests for Funding made in Submissions to the Draft Annual Plan

As noted earlier in this document, Council received requests in the Draft Annual Plan submissions for approximately \$24 million of additional funding to be spent on various activities and projects. It is not affordable to fund even a fraction of these activities or projects through rates increases and Council has already been through the budgets for the year in detail to try to find savings. While many of these projects and activities would be desirable if funding was available, the majority of the requests for funding have been declined. Examples of the requests which were declined are:

- A request to add back into the budget funding for the Murchison water treatment plan upgrade, which Council proposed deferring in the Draft Annual Plan.
- A request for Council to bring forward the upgrading of the Wakefield water supply.
- A request to add back into the budget funding for new recycling initiatives, waste education and green waste projects, which Council proposed deferring in the Draft Annual Plan.
- The Golden Bay Community Board requests for transport studies including the Takaka bypass and the back road around Clifton to Port Tarakohe; and progress on cycleways from Takaka to Pohara.
- Two requests for Council to fund a full upgrade of the Riwaka to Kaiteriteri Road.
- Several submitters requested that the Gibbs Valley Road widening and sealing project be added back into the 2011/2012 budget.
- A request for Council to bring forward funding for roading improvements in Paton and Bateup Roads.
- Motueka Port Users and Motueka Community Board requests for funding to undertake works at Port Motueka.
- Motueka Community Board requests for a road link between Manoy and Talbot Streets; a walk/cycleway along Motueka Quay from Old Wharf Road to Harbour Road; and a streetscaping plan for High Street.
- Requests by several submitters for additional funding for walk/cycleways in Motueka area, Mapua/Ruby Bay area (including the Seaton Valley), Brightwater/Wakefield area, and request for cycleways to be added back into the 2011/2012 budget that Council proposed to defer in Draft Annual Plan due to the loss of Government subsidy.
- A request for funding for a stock truck effluent disposal site in the Nelson/Richmond area.
- Funding for passenger transport in association with Nelson City Council.
- Enviro Challenge New Zealand request for funding for environmental education in High Schools.
- The Animal Health Board and several submitters requested additional funding for Tb control.
- Golden Bay Community Board's request for a part-time compliance officer in the area.
- Funding for employment of staff by the Tasman Bays Heritage Trust at the Isel Park research facility.
- Suter Art Gallery request for additional funding.
- Theatre Royal request for funding.
- Nelson School of Music request for funding.
- A request for funding for development of a regional Nelson-Tasman cycle strategy.
- The Nelson Cycle Trail Trust request for funding.

Appendix 2: Examples of Additional Requests for Funding made in Submissions to the Draft Annual Plan (cont.)

- A request to use the general rate funding for tourism related activities (e.g. information centres) to be transferred to the Tasman Loop Cycleway project.
- A few submitters requested funding for an upgrade of the Takaka aerodrome runway and facilities.
- A request for funding for seal extension projects in Golden Bay.
- Two submitters requested funding from Council towards the Nelson Performing Arts and Conference Centre.
- Two submitters requested Council to replace the historic Salisbury suspension bridge.
- A request for Council to fund and prepare an Affordable Housing Strategy for Tasman District.
- A request for Council to fund more work on biodiversity corridors and landscape protection.
- Department of Conservation's request for Council to add back into the budget funding for estuary reserve land purchase, which Council proposed deferring in the Draft Annual Plan.
- Keep Motueka Beautiful's request to fund a litter cart in Motueka.
- Three submitters requested Council provide funding for:
 - Training of iwi representatives as Resource Management Act commissioners
 - Additional funding for Waimaori stream care project
 - A part-time iwi manager in Council.
- Nelson City Council's request for Council to contribute towards the \$160,000 cost of the additional Rugby World Cup game to be held in Nelson.
- Funding for amalgamation between Tasman District and Nelson City.

Appendix 3: Statutory Functions

Tasman District Council, as a regional and territorial authority, has a wide range of functions and responsibilities under a number of Acts of Parliament and associated regulations. These statutes define what we are required to do and in many cases how we must carry out these duties and responsibilities. The principal statutes are:

- Biosecurity Act 1993
- Building Act 2004
- Burial and Cremations Act 1964
- Civil Defence Emergency Management Act 2002
- Dog Control Act 1996
- Fencing of Swimming Pools Act 1987
- Food Act 1981 and the Food Hygiene Regulations
- Forests and Rural Fires Act 1977
- Gambling Act 2003
- Hazardous Substances and New Organisms Act 1996
- Health Act 1956
- Impounding Act 1955
- Land Transport Management Act 2003
- Litter Act 1979
- Local Electoral Act 2001 and Local Electoral Regulations 2001
- Local Government Act 1974
- Local Government Act 2002
- Local Government Official Information and Meetings Act 1987
- Local Government (Rating) Act 2002
- Maritime Transport Act 1994
- Public Bodies Leasing Act 1969
- Public Transport Management Act 2008
- Public Works Act 1981
- Reserves Act 1977
- Resource Management Act 1991
- Sale of Liquor Act 1989
- Soil Conservation and Rivers Control Act 1941
- Transport Act 1962
- Transport Services Licensing Act 1989
- Unit Titles Act 2010
- Utilities Access Act 2010
- Waste Minimisation Act 2008

The Council administers a number of resource management plans, strategies and bylaws that are prepared in accordance with procedures laid down in the relevant statute. There are also a proliferation of National Environmental Standards and National Policy Statements prepared by the Government that councils must now give effect to.

There are many statutory responsibilities, which are mandatory, for instance the receiving and processing of resource consents. There are other responsibilities, which are discretionary but which if the Council chooses to undertake, it must comply with various statutory requirements, for example the provision of public cemeteries. Council has to decide how it will best give effect to these statutory obligations.

There is a cost involved in complying with the various statutory obligations, only some of which can be recovered through licence and permit fees. Where these fees are set by Government regulations (as many are), any shortfall is a cost to Council and ultimately ratepayers.

Appendix 4: General Council Information

What does Tasman District Council do?

Tasman District Council's purpose is to enable local decision-making and action on behalf of the Tasman community to:

- Provide services that the community wants to enhance its social, economic, environmental and cultural well-being.
- Perform the functions and responsibilities given to it through legislation.

Tasman District is one of only five councils in New Zealand which have responsibility for both regional and territorial functions. Councils with this dual role are commonly known as "Unitary Authorities".

The functions and activities the Council does and the services it provides are outlined in detail in the Activities section of this document (pages 32 – 185).

Tasman District Council's powers are primarily derived from the Local Government Act 2002 and many other Acts and Regulations that are referred to throughout this document.

Directory

Main Office

Street Address: 189 Queen Street, Richmond
Postal Address: Private Bag 4, Richmond, 7050
Telephone: 03 543 8400
Fax: 03 543 9524
Email: info@tasman.govt.nz

Takaka Service Centre

Street Address: 78 Commercial Street, Takaka
Postal Address: PO Box 74, Takaka, 7142
Telephone: 03 525 0020
Fax: 03 525 9972

Motueka Service Centre

Street Address: 7 Hickmott Place, Motueka
Postal Address: PO Box 123, Motueka, 7143
Telephone: 03 528 2022
Fax: 03 528 9751

Murchison Service Centre

Street Address: 92 Fairfax Street, Murchison
Postal Address: 92 Fairfax Street, Murchison, 7007
Telephone: 03 523 1013
Fax: 03 523 1012

Appendix 5: Committees, Responsibilities and Portfolios

Council Committees

There are five standing Committees of Council, each having delegated powers to handle their affairs. All Councillors have membership on all committees, except the Tasman Regional Transport Committee. Mayor Kempthorne is an ex officio member of all committees, except the Tasman Regional Transport Committee. Committees normally meet six-weekly.

Engineering Services Committee

This Committee has responsibility for roads, bridges, water supply, sewerage treatment and disposal, solid waste collection/disposal and waste minimisation, coastal protection, stormwater collection and disposal, ports/wharves and boat ramps (excludes Port Tarakohe), aerodromes (excludes Motueka Airport), rivers and waterways, public transport.

This Committee is chaired by Cr T E Norriss.

Community Services Committee

This Committee has responsibility for recreation and development, parks and reserves, sports grounds, public halls, libraries, walkways, camping grounds, cemeteries, community and cultural facilities, property management, public conveniences, rural fire, grants, community housing and customer services.

This Committee is chaired by Cr J L Edgar.

Environment and Planning Committee

This Committee has responsibility for resource management, policy, consents, environmental health, building control, sale of liquor, biosecurity, maritime safety, Council's response to climate change, animal control and compliance.

This Committee is chaired by Cr S G Bryant.

Corporate Services Committee

This Committee is responsible for providing financial and administrative services to the Council and other departments, including rate collection and financial management.

This Committee is chaired by Cr T B King.

Tasman Regional Transport Committee

This committee is responsible for preparing for Tasman District a regional land transport strategy, a regional land transport programme, and any advice and assistance Council may request in relation to its transport responsibilities.

This Committee is chaired by Cr T E Norriss, and its membership consists of four other councillors (Crs Riley, Dowler, Edgar and Mirfin), an NZTA representative and five appointed members.

Appendix 5: Committees, Responsibilities and Portfolios (cont.)

Council Subcommittees

In addition to these standing committees, Council also has a number of special purpose subcommittees. These have delegated powers and only meet as required. Their function is to examine specific areas of Council operations and then make recommendations to their parent committee or full Council. The Mayor is ex officio on all Subcommittees.

The current subcommittees are:

Council Enterprises

(reporting to Corporate Services) – Crs N Riley (Chair), S G Bryant, J L Inglis, T E Norriss, G A Glover.

Communications

(reporting to Corporate Services) – Crs E J Wilkins (Chair), J L Edgar, M L Bouillir, Z S Mirfin.

Creative Communities

(reporting to Community Services) – Crs J L Edgar (Chair), E J Wilkins plus community representatives.

CEO Review

(reporting to Council) – Mayor R G Kempthorne (Chair), Crs B W Ensor, J L Edgar.

Audit

(reporting to Corporate Services) – Crs G A Glover (Chair), J L Inglis, C M Maling, M L Bouillir, T E Norriss, T B King.

Grants and Community Facilities

(reporting to Community Services) – Crs E J Wilkins (Chair), S G Bryant, M L Bouillir, J L Edgar, T B King.

Community Awards

Crs J L Edgar, E J Wilkins.

Mature Persons

Crs N Riley, E J Wilkins.

Development Contributions

Crs S G Bryant, T E Norriss.

Council Representatives and Appointments

Joint Shareholders

Mayor R G Kempthorne, Crs T B King, G A Glover.

Nelson Airport Limited

Mr M J Higgins.

Port Nelson Limited

Council Director Cr T B King.

Nelson Regional Sewerage Business Unit

Cr G A Glover, and Mr M J Higgins.

Tasman Regional Sports Trust Board

Mayor R G Kempthorne.

Nelson Tasman Business Trust

Cr C M Maling.

Appointments Committee (Tasman Bays Heritage Trust)

Mayor R G Kempthorne, and Mr P Wylie (Chief Executive).

Positive Ageing Forum

Cr J L Edgar.

Tasman Youth Council

Crs Z S Mirfin, and G A Glover.

Mayors Taskforce for Jobs – Nelson Tasman Connections Steering Group

Mayor R G Kempthorne.

Saxton Field Working Group
Crs J L Edgar, B W Ensor, and C M Maling.

Councillor Portfolios

Civil Defence/Emergency Management
Mayor R G Kempthorne, and Cr T B King.

Friendly Towns
Cr E J Wilkins.

Golden Bay Patriotic Welfare Committee
Cr N Riley.

Local Government New Zealand (LGNZ)
Regional Affairs Committee
Mayor R G Kempthorne, Chief Executive.

LGNZ Zone 5 (top-half of South Island)
Mayor R G Kempthorne, Chief Executive.

LGNZ Rural and Provincial Sector
Strategic Development Manager, Cr T B King.

Maori Liaison/Ethnic Affairs
Mayor R G Kempthorne.

Patriotic Council
Cr J L Inglis.

TB Free/Animal Health Board
Cr T E Norriss.

Talking Heads
Mayor R G Kempthorne, Chief Executive.

Tenders
Crs S G Bryant, J L Edgar, T E Norriss, Chief Executive.

Accessibility for All
Cr J L Edgar.

Native Tasman Habitats
Cr B W Ensor.

Regional Funding Forum
Crs T B King, and J L Edgar.

Rugby World Cup
Cr J L Inglis.

Tasman Environmental Trust
Cr B W Ensor.

Tasman Regional Sports Trust Board
Mayor R G Kempthorne.

Economic Development Agency
Mayor R G Kempthorne, and Cr T E Norriss.

Appendix 6: Community Boards

Community Boards are separately elected advisory bodies and are not Council Committees. Their main role is to represent, and act as an advocate for, the interests of its community.

There are two Community Boards in the Tasman District, namely the Golden Bay Community Board serving the Golden Bay Ward and the Motueka Community Board serving the Motueka Ward.

Membership of the Golden Community Board:



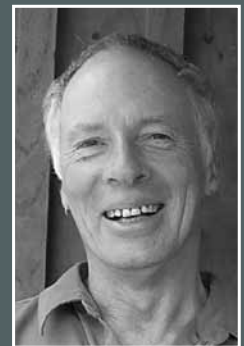
Carolyn McLellan
(Chair)



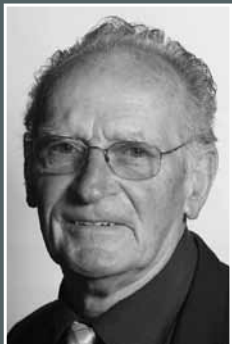
Leigh Gamby
(Deputy Chair)



Karen Brookes



Mik Symmons



Cr Noel Riley



Cr Martine Bouillir

Membership of the Motueka Community Board:



David Ogilvie
(Chair)



Paul Hawkes
(Deputy Chair)



Mark Chapman



Cliff Satherley



Cr Eileen Wilkins



Cr Jack Inglis



Cr Barry Dowler

Appendix 7: Council Management

Chief Executive
Paul Wylie

Community Services Manager
Lloyd Kennedy

Corporate Services Manager
Murray Staite

Engineering Manager
Peter Thomson

Environment and Planning Manager
Dennis Bush-King

Strategic Development Manager
Susan Edwards

Other

Bankers
ASB Bank Ltd
Queen Street
Richmond

Solicitors
Fletcher Vautier Moore
265 Queen Street
Richmond

Auditors
Audit New Zealand, on behalf of the
Office of the Auditor General



Tasman District Council

Amendment to Ten Year Plan 2009-2019 Treasury Management Policy

"A community is more sustainable when all the threads pull together as one."



Buller River

Audit Opinion

Statement to the readers of Tasman District Council's Long-Term Council Community Plan, as amended on 30 June 2011, for the ten years commencing 1 July 2009.

Purpose of Statement

The primary purpose of this statement is to inform readers that we have no role to report, and do not give an opinion, on Tasman District Council's (the District Council's) adopted amendment or its Long-Term Council Community Plan (LTCCP), as amended.

This statement informs readers about the District Council's process of amending its LTCCP for the ten years commencing 1 July 2009 and the extent, and limit, of our involvement in that process.

The District Council's process of amending its LTCCP commencing 1 July 2009 and our involvement

The District Council adopted its LTCCP for the ten years commencing 1 July 2009 on 30 June 2009. The Auditor-General appointed me, Scott Tobin, using the staff and resources of Audit New Zealand, to report on his behalf on the LTCCP adopted on that date.

We expressed an unqualified opinion on the District Council's LTCCP for the ten years commencing 1 July 2009 in our report dated 30 June 2009. We considered that the LTCCP adopted on 30 June 2009 provided a reasonable basis for long term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

In forming our overall opinion, we reported on specific matters required by section 94(1) of the Local Government Act 2002 (the Act).

In a Statement of Proposal dated 19 March 2011 the District Council proposed an amendment to its LTCCP for the ten years commencing 1 July 2009 to change the treasury management policy to enable participation in the proposed local government funding agency.

We expressed an unqualified opinion on this Statement of Proposal in our audit report dated 19 March 2011.

We considered that the information within the Statement of Proposal, about the proposed amendment to the LTCCP and any consequential amendments to the LTCCP that would be required if it was amended in the manner proposed, was fairly presented, and that the District Council had complied with the applicable requirements of the Act in preparing the Statement of Proposal.

In forming our overall opinion, we reported on specific matters required by section 84(4) of the Act.

On 30 June 2011 the District Council adopted the proposed amendment to its LTCCP for the ten years commencing 1 July 2009 as described in the Statement of Proposal mentioned above. The District Council has prepared the LTCCP, as amended to reflect the amendments adopted by the District Council on 30 June 2011, and any consequential amendments.

We do not give an opinion on the District Council's adopted amendment or its LTCCP, as amended. There is no legislative requirement for us to report on the adopted amendment or the LTCCP, as amended by the District Council on 30 June 2011 and we have not performed an audit of either the adopted amendment or the LTCCP as amended. Consequently we have not updated our audit report that was attached to the LTCCP adopted on 30 June 2009.



S M Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Amendment to Council's Ten Year Plan 2009 – 2019 Treasury Management Policy

Proposal that The Council Supports the Establishment of a NZ Local Government Funding Agency

Introduction

The Council has agreed in principle, subject to acceptance of the final details of the funding scheme, to participate as a "Principal Shareholding Local Authority" in the New Zealand Local Government Funding Agency Limited (LGFA), which will be a council-controlled trading organisation (CCTO). The LGFA will be subject to the usual statutory CCTO reporting requirements including the preparation of an annual statement of intent for consideration by Principal Shareholding Local Authorities, the preparation of an annual report and auditing by the Auditor General.

The LGFA is being established by a group of local authorities and the Crown to enable local authorities to borrow at lower interest margins than would otherwise be available. The Crown will have a maximum shareholding of 20% with local authorities holding the remaining shares. The LGFA will be recognised in legislation, which will modify the effect of some statutory provisions.

All local authorities will be able to borrow from the LGFA, but different benefits apply depending on the level of participation. Generally all local authorities borrowing from LGFA will be required to have some shareholding

and enter into guarantees in favour of LGFA and other local authorities. This is certainly the case for Principal Shareholding Local Authorities. The exceptions will apply to some local authorities with much lower levels of borrowing, but those local authorities will only be able to borrow a limited amount, and will be required to pay higher funding costs.

Principal Shareholding Local Authorities will be required to invest capital in the LGFA, but are expected to receive a return on that capital. The Principal Shareholding Local Authorities will be required to meet a certain proportion of their borrowing needs through the LGFA Scheme for an initial period.

It is important to note that final details of how the LGFA will operate have yet to be finalised including the wording of the guarantees. Council will not enter into any final arrangement with the proposed LGFA until it is satisfied that the interests of the ratepayers of the District are sufficiently protected.

Council will not enter into any final arrangement until it is satisfied that the interests of the ratepayers are sufficiently protected...

Statutory Considerations

Section 56 of the Local Government Act 2002 (LGA 2002) provides that a proposal to establish a council-controlled organisation (CCO) (which includes a CCTO) must be adopted in accordance with the special consultative procedure before a local authority may establish or become a shareholder in the CCO. This consultation was undertaken as part of the Draft Annual Plan 2011/2012 process.

Most, if not all, participating local authorities will be required to enter into a guarantee when they join the LGFA scheme. The guarantee will be in respect of the payment obligations of other guaranteeing local authorities to the LGFA (cross guarantee) and of the LGFA itself (LGFA guarantee).

Section 62 of the LGA 2002 would prevent the participating local authorities from giving such guarantees. However, the government intends introducing amending legislation to support the operation of the LGFA by (amongst other things) exempting it from certain regulatory criteria that would otherwise apply to it. This would include compliance with section 62.

The Council has adopted policies in respect of investment and liability management in its Treasury Management Policy contained in Council's Ten Year Plan 2009 - 2019. The Council's involvement in the LGFA as a Principal Shareholding Local Authority was not provided for in the Investment Policy, contained in the Treasury Management Policy, and specifics of the debt raising arrangements with the LGFA go beyond what was provided in the Liability Management Policy (particularly the guarantee commitments) contained in the Treasury Management

Policy. Proposed amendments to the policies to accommodate this proposal, adopted by the Council, are attached as appendices 1 and 2.

The amendment to the policies was undertaken by way of an amendment to the Treasury Management Policy contained in Council's Ten Year Plan 2009 - 2019.

Details of the Proposal

The Council has agreed in principle, subject to agreeing to the final details of the funding scheme, to participate as a "Principal Shareholding Local Authority" in the New Zealand Local Government Funding Agency Limited (LGFA), which will be a council-controlled trading organisation (CCTO). If Council is satisfied that the interests of the ratepayer are sufficiently protected and with the final details of the funding scheme Council will join the LGFA's scheme as a Principal Shareholding Local Authority. This means the Council will:

- (a) subscribe for up to a maximum of \$2.5 million shares in the LGFA to provide it with establishment capital;
- (b) commit to meeting a certain proportion of its borrowing needs from the LGFA;
- (c) borrow from the LGFA;
- (d) subscribe for up to a maximum of \$2.5 million uncalled capital in the LGFA;
- (e) subscribe for borrower notes;
- (f) enter into the guarantee;
- (g) commit to providing additional equity to the LGFA under certain circumstances;
- (h) provide a rates charge to secure some or all of its obligations under the LGFA scheme.



Proposal that the Council Supports the Establishment of a NZ Local Government Funding Agency (cont.)

If further establishment capital in the LGFA was made available, the Council may by further resolution subscribe for shares and uncalled capital in addition to the \$2.5 million mentioned in paragraphs (a) and (d) above on the basis that the expected return on that capital would exceed the Council's borrowing costs.

Reasons for Proposal

The Council is participating in the LGFA Scheme because it believes that it will enable it to borrow at lower interest margins, and that this benefit outweighs the costs associated with the LGFA Scheme.

The Council has agreed in principle that its participation be as a Principal Shareholding Local Authority for two reasons:

- (a) It is anticipated that the LGFA will be able to borrow at a low enough rate for the LGFA scheme to be attractive because of the three key advantages the LGFA will have over a local authority borrower. That is achieving a higher credit rating, economies of scale and a regulatory advantage.
In addition the LGFA will provide local authorities with increased certainty of access to funding, and terms and conditions (including the potential access to longer funding terms (e.g. 10+ years).
- (b) A certain amount of capital (expected to be around \$20,000,000) will need to be invested by local authorities for the LGFA Scheme to be viable. As a Principal Shareholding Local Authority, the Council will be contributing some of this amount. This will increase the likelihood that the LGFA Scheme will be viable, and that the Council will be able to gain the benefits of participating in it.

The equity held by the LGFA to ensure it meets its minimum capital adequacy ratio requirement will come from two sources.

1. Central government and the Principal Shareholding Local Authorities will contribute initial equity as the issue price of their shareholdings.

2. Each participating local authority will, at the time that it borrows from the LGFA, contribute some of that borrowing back as equity (borrower notes).

It is likely that Principal Shareholding Local Authorities will be required to meet a certain proportion of their borrowing needs through the LGFA scheme for an initial period, to ensure that the critical amount of utilisation is achieved. All local authorities borrowing from the LGFA will be required to secure that borrowing with a rates charge. This is a powerful form of security for the LGFA because it means that if the relevant local authority defaults, a receiver appointed by the LGFA can assess and collect sufficient rates in the local authority's region to recover the defaulted payments. As a result, it significantly reduces the risk of long-term default by a local authority borrower. From a local authority's point of view it is also advantageous, because so long as the local authority does not default, it is entitled to conduct its affairs without any interference or restriction. This contrasts with most security arrangements which involve restrictions being imposed on a borrowers use of its own assets by the relevant lender.

To minimise the risk of defaulting on its debt repayment obligations, the LGFA will hold significant cash reserves as well as a cash stand-by facility of \$1 billion with the New Zealand Debt Management Office and will be eligible to redeem local authority debt for cash with the Reserve Bank of New Zealand.

Each Principal Shareholding Local Authority will be required to subscribe for uncalled capital which is equal in amount to its paid up equity contribution. The uncalled capital will only be able to be called by the LGFA if it determines that there is a risk of imminent default if the call is not made.

Whenever a participating local authority borrows, it will not receive the full amount of the borrowing in cash. Instead, a small percentage of the borrowed amount will remain with the LGFA as equity (borrower notes). That percentage is expected to be 1.6% of the amount borrowed. The equity

contributed in this way will be repaid when the borrowing is repaid. In effect, the amount which must be repaid will equal the cash amount actually advanced. To illustrate with an example, if a local authority borrowed \$1 million for five years from the LGFA it would receive \$984,000 in cash and \$16,000 in borrower notes. At the end of the five years, it would repay \$1 million but would simultaneously redeem its borrower notes for \$16,000 meaning its net repayment was equal to the \$984,000 it initially received in cash.

The purpose of the guarantee is to provide additional comfort to lenders (and therefore credit-rating agencies) that there will be no long-term default. It may also be used to cover a short-term default if there is a default which cannot be covered using other protections. Ultimately the default will be fully covered using the rates charge. The guarantee allows the LGFA to draw upon the resource of all guaranteeing local authorities to avoid defaults by either other local authorities or the LGFA itself once other sources of funds have been exhausted. There will be a mechanism to ensure that payments made under the guarantee are shared between all guaranteeing local authorities. The proportion between any payments borne by a single guaranteeing local authority is likely to be based on the number of ratepayers in its district or region.

A call for additional equity contributions will only be made if calls on the uncalled capital and on the cross guarantee will not be sufficient to eliminate the risk of imminent default by the LGFA. It is possible that guaranteeing local authorities will be required to provide a rates charge to secure their obligations to contribute additional equity.

Analysis of Reasonably Practicable Options

The reasonably practicable options Council considered were as follows:

- (a) Not participate in the LGFA Scheme .
- (b) Participate in the LGFA Scheme, but not as a Principal Shareholding Local Authority or as a Guaranteeing Local Authority.

- (c) Participate in the LGFA Scheme as a Guaranteeing Local Authority, but not a Principal Shareholding Local Authority.
- (d) Participate in the LGFA Scheme as a Principal Shareholding Local Authority.

The Council has current borrowing of \$122.7 m (December 2010). This is projected to grow to \$269 m by 2019. Consequently, the benefits of lower interest margins are significant. On the basis of the modelling done to date, which indicates that savings of between 0.4% and .5% may be available, the Council's savings on current borrowings would be between \$490,000 and \$613,000 if all of its debt was migrated to the LGFA. By 2019, these savings could reach between \$1.076 m and \$1.345 m per annum. Although the modelling is based on a number of assumptions (for example how quickly the LGFA builds local authority participation, how quickly Council debt is migrated into the LGFA and to what extent), this number gives an indication of the scale of potential savings. The Council believes that the benefit of these savings outweigh the costs of participating in the LGFA. Consequently, the Council did not adopt option (a).

If the Council was to join the LGFA Scheme without being a Guaranteeing Local Authority (option b), the cost of participating would be less. However, Council would face higher funding costs, reducing the benefit of participating, and it is likely that it would only be able to borrow up to \$20,000,000, meaning the benefits would be limited to a small portion of its borrowing. Consequently, the Council agreed in principle to participate as a Guaranteeing Local Authority, and therefore Council did not adopt option (b).

The Council believes that investing in the LGFA Scheme as a Principal Shareholding Local Authority is justified for the two reasons set out above. That is:

- (a) A return will be paid on the initial capital investment made by Principal Shareholding Local Authorities.
- (b) If the Council participates as a Principal Shareholding Local Authority, that increases the likelihood that the LGFA Scheme will be viable, and that the Council will be able to gain the benefits of participating in it.

Proposal that the Council Supports the Establishment of a NZ Local Government Funding Agency (cont.)

Having considered the submissions on the Statement of Proposal, the Council agreed in principle to option (d).

The potential savings for Council in terms of funding costs will depend on the difference between the funding cost to that local authority when it borrows from the LGFA and the funding cost to Council when it borrows from alternative sources.

The costs to Participating Local Authorities as a result of their borrowing through the LGFA Scheme take two forms:

1. There are some risks that they will have to assume to participate in the scheme, particularly associated with the guarantees which may create liabilities.
2. There is some cost associated with the Borrower Notes.

The features of the LGFA Scheme described above which are included to obtain a high credit rating are essentially steps which make the residual risk to lenders low enough to justify the high credit rating. These features remove risk, in part, by transferring it to Participating Local Authorities.

These risks are that:

1. In the case of Guaranteeing Local Authorities, a call is made under the Guarantee (this means that there is a remote chance that the Council may need to pay its share of another Council's or the LGFA's debts. This chance of this is extremely remote due to the fact that no local authority has ever defaulted and the LGFA will hold substantial cash reserves);
2. In the case of Guaranteeing Local Authorities, a call is made for a contribution of additional equity to the LGFA; and
3. In the case of all Participating Local Authorities, the LGFA is not able to redeem their Borrower Notes. Council cannot quantify the guarantee exposure at this time because it depends upon the size of the LGFA, the lending profile and the operating structure. At inception of the LGFA, Council will assess its exposure to the guarantee and review the exposure on an annual basis. The exposure may need to be reflected in the annual financial statements.

All Participating Local Authorities will be required to invest in Borrower Notes when they borrow from the LGFA. This carries a cost in addition to the risk referred to above because the investment in Borrower Notes will be funded by borrowing from the LGFA, and the cost of this funding will be marginally higher than the return paid on the Borrower Notes.

In addition to those costs and benefits that all Participating Local Authorities are expected to receive in relation to their borrowing from the LGFA, Principal Shareholding Local Authorities will also hold shares in the LGFA (Establishment Shares). Establishment shares will pay a discretionary annual payment equal to the LGFA's own cost of funds plus 0.2%. While it is the intention for the LGFA to always pay the proposed annual payment on the Establishment Shares, this payment will not be made, or will be reduced, if the performance of the LGFA means that the LGFA does not consider it appropriate to make the payment.

Any local authority investor in Establishment Shares will also be required to subscribe for the same amount of Uncalled Capital in the LGFA. This Uncalled Capital can be called at the discretion of the LGFA under certain circumstances to ensure the ongoing viability of the LGFA. Once the Uncalled Capital is called, it will have the same characteristics as Establishment Shares. This is an additional risk (and therefore contingent cost) for Principal Shareholding Local Authorities.

Parts of Investment Policy and Liability Management Policy contained in the Treasury Management Policy that have been Amended

The Council agreed that sections be added to the end of each of its Investment Policy and Liability Management Policy contained in the Treasury Management Policy. The additions are attached as Appendices 1 and 2. Appendix 3 contains the full amended Treasury Management Policy containing the additions in Appendices 1 and 2.

Investment Policy

The Investment Policy was amended to make it clear that the Council's investment activity includes participating as a Principal Shareholder in LGFA.

There will be a direct return on this investment, but it is acknowledged that this may be less than might be achieved by alternative investments. There is an additional benefit to the Council in that the Council's investment of capital makes it more likely that the LGFA Scheme, which will deliver benefits to the Council, will become viable.

The primary objective for Council's interest in LGFA is to lower the Council's cost of borrowing.

There are no consequential changes to any other provisions in the Ten Year Plan 2009 - 2019, though there was a related change to the Liability Management Policy discussed below.

Liability Management Policy

The Liability Management Policy was amended to make it clear that the Council may participate in the LGFA Scheme, including borrowing from the LGFA and entering into the transactions relating to that borrowing listed above under the Details of the Proposal.

The primary objective of these changes was to allow borrowing by the Council at lower interest margins than it currently faces.

Auditor's Report

An auditor's report on the proposed amendment was included in the Draft Annual Plan 2011/2012 and Amendment to Ten Year Plan 2009 - 2019 Treasury Management Policy Document.

Submission Process Undertaken

This Statement of Proposal for the amendment to the Ten Year Plan 2009 - 2019 Treasury Management Policy was included in the document containing Council's Draft Annual Plan 2011/2012.

A summary of the information contained in the amendment and the Draft Annual Plan 2011/2012 was distributed as a basis for general consultation through a Special Edition of Newsline on 18 March 2011.

Submissions on the amendment and the Draft Annual Plan 2011/2012 closed on Thursday 21 April 2011.

Persons who made submissions had the opportunity to be heard by the Council if they requested it. Hearings were held in May 2011. The Council considered submissions received and made the decision to proceed with the proposal and amend the Investment Policy and Liability Management Policy contained in the Treasury Management Policy in Volume 2 of the Ten Year Plan 2009 - 2019, at its meeting on 9 June 2011.

Proposal that the Council Supports the Establishment of a
NZ Local Government Funding Agency (cont.)

Appendix 1 – Investment Policy Wording

The following wording has been added at the end of the current Investment Policy:

“New Zealand Local Government Funding Agency Limited Investment

Despite anything earlier in this Investment Policy, the Council may invest in shares and financial instruments issued by of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment.

The Council’s objective in making any such investment will be to:

- (a) obtain a return on the investment; and
- (b) ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments, where it is to the overall benefit of Council. Notwithstanding the Counterparty Credit Risk Limits set earlier in this Investment Policy the Council may invest in financial instruments issued by the LGFA up to a maximum of \$30 million.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.”

Appendix 2 – Liability Management Policy Wording

The following wording has been added at the end of the current Liability Management Policy:

“New Zealand Local Government Funding Agency Limited Investment

Despite anything earlier in this Liability Management Policy, the Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- (a) contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
- (b) provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- (c) commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- (d) subscribe for shares and uncalled capital in the LGFA; and
- (e) secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council’s rates and rates revenue.”

Appendix 3:

Treasury Management Policy

(containing the amendments as per page 294)

1 Introduction

Tasman District Council (“the Council”) undertakes borrowing, investment and risk management activity (in total referred to in this document as treasury activity). The Council’s treasury activities are carried out within the requirements of the Local Government Act 2002 which defines the operating environment for local authorities in relation to borrowing, investment and risk management activity.

This treasury policy document provides the policy framework for all of the Council’s treasury activities and defines the financial stewardship and key responsibilities and the operating parameters within which borrowing, investment and risk management activity is to be carried out. This treasury policy document will be reviewed and updated on a triennial basis.

1.1 Objective

To implement policy and financial management that will yield advantage to the people of the Tasman District.

Council’s goals to achieving this objective are:

- Accurate, transparent accounting and cash flow reporting.
- To provide timely and accurate information to Council operating committees.
- To act in accordance with Council delegated responsibility for all financial matters.

- Ensure that Council investment expenditure is justified by a predetermined recovery of capital, or a return on investment at an established rate in either cash or public good.
- The value of Council owned assets to be costed into annual operating expenses of each activity.
- To manage Council investment portfolio and advise on the use of those revenues generated.
- To ensure Council compliance with statutory obligations.
- To advise Council on risk management obligations in the protection of its ratepayers assets.
- To ensure that financial planning will not impose unnecessary burdens on future ratepayers of Tasman District.

1.2 Borrowing

The Council’s borrowing activity is largely driven by its capital works programme.

Council’s primary objective behind its borrowing activity is:

- To ensure that appropriate funding is in place to meet current and ongoing commitments of the Council.
- That borrowings provide a basis to achieve inter-generational equity by aligning long-term assets with long-term funding sources.
- To ensure that borrowings are undertaken efficiently and in accordance with the Council’s Liability Management Policy.

The Council’s borrowing policy is discussed in Section 3 of this document.

Appendix 3: Treasury Management Policy (cont.)

1.3 Investments

The Council manages a significant portfolio of investments comprising equity investments, forestry, property and special funds.

Council's primary purpose in retaining an investment portfolio is:

- Strategic assets are to be held by the Council, for public good.
- To earn from strategic investments a cash flow for investment in community wellbeing.
- Prudently manage cash flows within annual budget parameters.
- To support short-term cash requirements.

The Council's investment policy is discussed in Section 4 of this document.

1.4 Philosophy

The Council acknowledges that there are various financial risks such as interest rate risk, liquidity risk, funding risk, and credit risk arising from its borrowing and investment activities. The Council is a risk-averse entity and does not wish to incur unnecessary risk from its treasury activities.

The strategies to achieve this are as follows:

- Adherence to the principles stated within the Liability Management Policy and Investment Policy.
- Principle of investments – minimisation of risk.
- Protection of real value of assets.
- Investments to yield a return equal to the weighted average annual cost of capital (or better) over time.

The Council's treasury function (refer below) is a risk management function focused on protecting the Council's budgeted interest cost and stabilising the Council's cash flows. The Council will not undertake any treasury activity which is unrelated to its underlying cash flows or is speculative in nature.

1.5 Policy Setting and Management

The Council approves policy parameters in relation to its treasury activities.

The Council's Chief Executive has overall financial management responsibility for the Council's borrowing and investments.

The Council exercises ongoing governance over its subsidiary companies, through the process of approving the Constitutions, Statements of Corporate Intent and the appointment of Directors of these companies.

Operational management of the Council's forestry investment is provided by P F Olsen & Co Ltd.

Council is joint (50:50) shareholder of Port Nelson Ltd, Nelson Airport Ltd and Tourism Nelson Tasman Ltd, together with Nelson City Council.

1.6 Treasury (Internal) Function

The Council's borrowing, investments (other than those mentioned above) and cash management activities are managed centrally through its treasury function. The treasury function is broadly charged with the following responsibilities to:

- Raise funds as required in terms of both maturity and interest rate and manage the Council's borrowing programme to ensure funds are readily available at margins and costs favourable to the Council.
- Maintain liquidity levels and manage the overall cash position of Council's operations to meet known and reasonable unforeseen funding requirements.
- Minimise Council's exposure to adverse interest rate movements.
- Develop and maintain professional relationships with financial markets in general and the Council's bankers in particular.

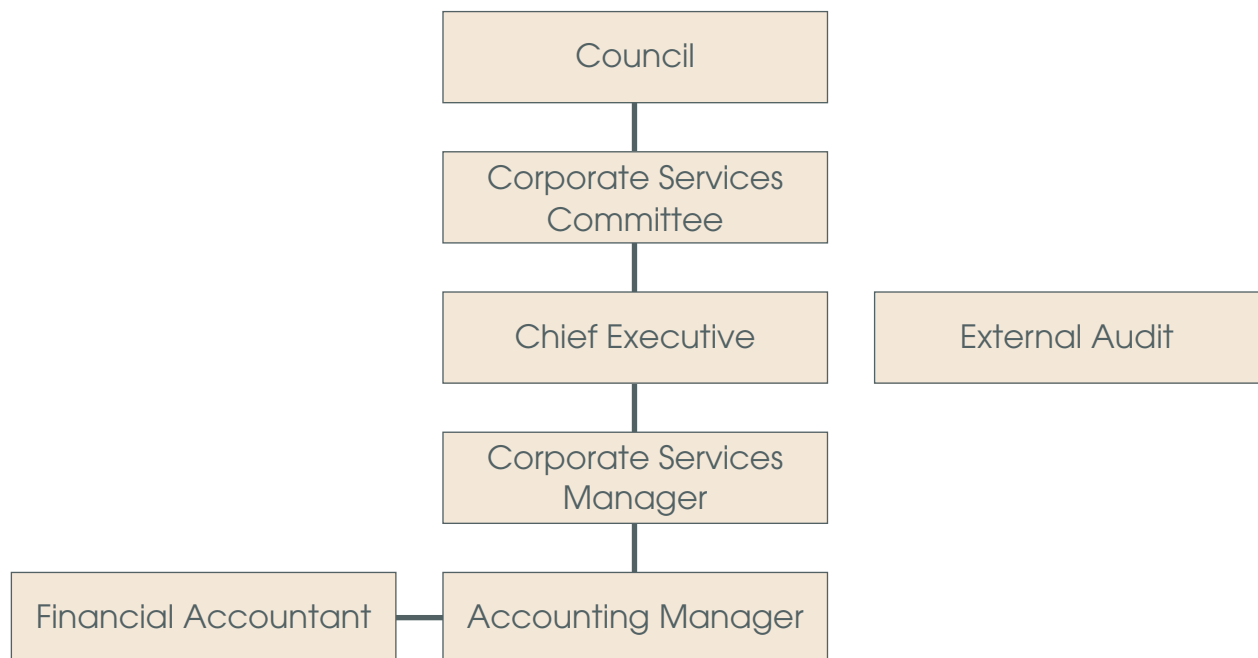
- Manage the Council's investments within its strategic objectives and ensure that surplus cash is invested in liquid and credit worthy instruments.
- Avoid adverse interest rate related increases on ratepayer charges and maintain overall interest cost within budgeted parameters.
- Realise the economies of scale from operating as a centralised function on behalf of Council's operating divisions and business units.
- Effectively charge costs of Council's internal debt to specifically defined operating activities of Council, on a monthly basis.
- Borrow and invest funds, and transact risk management instruments within an environment of control and compliance under this Policy to protect the Council's financial assets and costs.
- Provide timely and accurate reporting of treasury activity and performance.
- Monitor return on investments and achieve performance budgets/targets.
- Monitor and report on financing/borrowing covenants and ratios under the obligations of the Council's lending/security arrangements.
- Ensure that the relevant Council staff are aware of the latest treasury products, methodologies and accounting treatments through training and in-house presentations.

Appendix 3: Treasury Management Policy (cont.)

2 Management Structure and Responsibilities

2.1 Organisation Structure

The organisation chart for treasury activity is as follows:



2.2 Treasury Responsibilities

The key responsibilities of the above positions are as follows:

a) Council

- Approve and adopt the Investment and Liability Management Policy document (the Treasury Management Policy).
- Approve actions outside of policy.

b) Corporate Services Committee – under Delegation from Council

- Evaluate and approve amendments to policy.
- Approve annual borrowing programme contained in the Annual Plan or LTCCP.
- Review treasury activity through monthly reporting, supplemented by exception reporting.
- Approve interest rate risk management instruments contained in Appendix II and all subsequent additions/deletions.

c) Chief Executive

- Overall responsibility for treasury function.
- In conjunction with the Corporate Services Manager, approve the opening/closing of bank accounts and new banking facilities.
- Manage Council's interest rate profile within prescribed limits (see Section 3.2).
- In conjunction unless delegated to the Corporate Services Manager, approve register of cheque and electronic banking signatories.
- Also includes Corporate Services Manager's delegations.

d) Corporate Services Manager

- Treasury function responsibilities under delegation from Chief Executive.
- Responsibility for managing relationships with financial institutions.
- Negotiate borrowing facilities.
- Arrange new borrowing undertaken in line with Council resolution and approved borrowing strategy.

- Authorised the use of Council approved interest rate risk management instruments within discretionary authority.
- Recommend policy changes to Corporate Services Committee for approval.
- Peruse market quotes for all treasury transactions (except cash management transactions) prior to execution.
- Also includes the Accounting Manager's delegations.

e) Accounting Manager

- Day to day responsibility for treasury function.
- Secondary responsibility for executing treasury management transactions in the absence of the Corporate Services Manager.
- Review month end variance analysis to ensure reasonableness of treasury accounts.
- Responsible for maintaining operational and accounting systems to record and report treasury activity.
- Review and approve treasury system/spread sheet reconciliation to general ledger.
- Also includes Financial Accountant's delegations.

f) Financial Accountant

- Report treasury activity to the Corporate Services Manager and to the Accounting Manager.
- Prepare cash flow forecasts within policy guidelines.
- Execute approved borrowing, investment and interest rate risk management strategies.
- Update treasury system/spread sheets for all new, re-negotiated or maturing transactions.
- Reconcile treasury system/spread sheets to general ledger.

Appendix 3: Treasury Management Policy (cont.)

g) External Audit

- Verify accuracy of outstanding treasury transactions by undertaking independent confirmation checks.
- Ongoing review of treasury procedures and controls.
- To provide an opinion as to whether the Annual Report fairly reflects Council's financial and non-financial information.
- To provide an opinion as to whether compliance with significant legislative requirements has been met.

The Council raises debt for the following primary purposes:

- Capital to fund development of infrastructural assets.
- Short-term debt to manage timing differences between cash inflows and outflows and to maintain the Council's liquidity.
- Debt associated with specific projects as approved in the Annual Plan or LTCCP. The specific debt can also result from finance, which has been packaged into a particular project.
- In approving new debt, the Council considers the impact on its borrowing limits (refer Section 3.2) as well as the size and the economic life of the asset that is being funded and its consistency with Council's long-term financial strategy.

3 Liability Management Policy

3.1 General Policy

The Council borrows as it considers prudent and appropriate and exercises its flexible and diversified funding powers pursuant to the Local Government Act 2002. The Council approves, by resolution, the borrowing requirement for each financial year during the Annual and Long-term Council Community Planning process. The arrangement of precise terms and conditions of borrowing is delegated to the Corporate Services Manager.

The Council has significant infrastructural assets with long economic lives yielding long-term benefits. The Council also has significant strategic investment holding. The use of debt is seen as an appropriate and efficient mechanism for promoting inter-generational equity between current and future ratepayers in relation to the Council's assets and investments. Debt in the context of this policy refers to the Council's net external public debt, which is derived from the Council's gross external public debt adjusted for reserves as recorded in the Council's general ledger.

Generally, the Council's capital expenditure projects with their long-term benefits are debt-funded. The Council's other District responsibilities have policy and social objectives and are generally revenue funded.

3.2 Borrowing Limits

In managing debts, the Council will adhere to the following limit (based on the Council's latest financial statements).

Net External Debt (2) not to exceed.	20% of Equity
Net External Debt not to exceed.	250% of Total Operating Revenues (1)
Net interest expense on external debt as a percentage of total revenue (debt secured) to be less than.	20%
Net interest expense on external debt as a percentage of total annual rates income (debt secured) to be less than.	25%
Liquidity (Term debt + committed loan facilities + cash or cash equivalents) over projected peak net debt levels over the next 12 months, to be at least.	110%

(1) *Operating revenue is defined as earnings from rates, government grants and subsidies, user charges, levies, interest, dividends, financial and other revenue.*

(2) *Net External Debt = Gross External Debt (aggregate borrowings of the Council, including any capitalised finance leases, and financial guarantees provided to third parties) less any cash or near cash treasury investments held from time to time. Net external debt is defined as loan funds raised to meet Council activities, but does not include debt of Council's associate organisations or equity investments.*

3.3 Borrowing Mechanisms

The Council will be able to borrow through a variety of market mechanisms including issuing, commercial paper, stock and debentures, direct bank borrowing. Council accesses the short and long-term wholesale and retail debt capital markets directly and indirectly.

Finance leases are evaluated with financial analysis in conjunction with traditional on balance sheet financing. The evaluation should take into consideration ownership, redemption value and effective cost of funds.

In evaluating strategy for new borrowing (in relation to source, term, size and pricing) the Corporate Services Manager takes into account the following:

- Available terms from banks, debt capital markets and loan stock issuance.
- The Council's overall debt maturity profile, to ensure concentration of debt is avoided at re-issue/roll over time.

Appendix 3: Treasury Management Policy (cont.)

- Prevailing interest rates and margins relative to term for: loan stock issuance, capital markets and bank borrowing.
- The market's outlook on future interest rates, as well as its own.
- For internal funded projects, to ensure that finance terms for those funded projects are at least equitable with those terms that could be obtained externally.
- Legal documentation and financial covenants.

The Council uses a mixture of short-term facilities (which generally have lower credit margins) as well as longer term facilities to achieve an effective borrowing mix, balancing the requirements of liquidity and cost.

3.4 Liquidity/Funding Risk Management

Cash flow deficits in various future periods based on long-term financial forecasts are reliant on the maturity structure of loans and facilities. Liquidity risk management focuses on the ability to borrow at that future time to fund the gaps without incurring penalty costs. The main requirements of this policy, in terms of liquidity, is for there to be sufficient funds available at any time to meet cash obligations as they fall due. Funding risk management centres on the ability to re-finance or raise new debt at a future time at the same or more favourable pricing (fees and borrowing margins) and maturity terms of existing facilities.

Council's ability to readily attract cost effective borrowing is largely driven by its ability to maintain a strong balance sheet as well as its ability to rate, manage its image in the market and its relationship with bankers, brokers and investors.

Where possible, Council seeks a diversified pool of borrowing and ensures that bank borrowings are only sought from strongly rated New Zealand registered banks.

To ensure funds are available when needed Council ensures that:

- There is sufficient available operating cash flow, liquid investments and committed bank facilities to meet cash flow requirements between rates instalments as determined by the Chief Executive and Corporate Services Manager. Cash flow management will be used to identify and manage maturity mismatches between external borrowings, internal loans and liquid investments.
- Term debt and a liquidity buffer are maintained at an amount over 110% of projected peak net debt levels over the next 12 months.
- The liquidity buffer is maintained from either available committed bank facilities and/or liquid negotiable financial investments. Liquid investments have a maturity of no more than three months.
- The Chief Executive and Corporate Services Manager have the discretionary authority to re-finance existing debt on more favourable terms. Such action is to be ratified and approved by the Council at the earliest opportunity.

The Council does not hold its reserves in cash. While reserves are not funded, the Council anticipates and plans for draw-downs against reserves (refer section 3.9).

A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time so that if any of the above events occur, the overall borrowing cost is not unnecessarily increased and desired maturity profile compromised due to market conditions.

To minimise the risk of large concentrations of debt maturing or being re-issued in periods where credit margins are high for reasons within or beyond Council's control, delegated debt maturities are generally spread widely over a band of maturities.

Specifically, total committed funding in respect to all loans and committed bank facilities is controlled by the following system:

Period	Minimum	Maximum
0 to 3 years	20%	60%
3 to 5 years	20%	60%
5 years plus	10%	60%

A maturity schedule outside these limits requires specific Council approval.

3.5 Interest Rate Risk Management

Interest rate risk refers to the impact that movements in interest rates can have on the Council's cash flows. The Council's borrowing gives rise to direct exposure to wholesale interest rate movements. Generally, given:

- The Council's desire to have predictable, certain, interest costs.
- The need to avoid large adverse impacts on general and special rates arising from interest rate related rises.
- The long-term nature of the Council's assets and inter-generational factors.

Council's debt/borrowings are maintained within the following fixed/floating interest rate risk control limit:

Master Fixed/Floating Risk Control Limit	
Minimum Fixed Rate	Maximum Fixed Rate
55%	95%

"Fixed Rate" is defined as an interest rate re-pricing date beyond 12 months forward on a continuous rolling basis.

"Floating Rate" is defined as an interest rate re-pricing within 12 months.

Appendix 3: Treasury Management Policy (cont.)

The percentages are calculated on the rolling 12 month projected net debt level calculated by management (signed off by the Chief Executive). Net external debt is the amount of total debt net of cash or cash equivalents. This allows for pre-hedging in advance of projected physical drawdowns of new debt. When approved forecasts are changed, the amount of fixed rate cover in place may have been adjusted to comply with the policy minimums and maximums.

The fixed rate amount at any point in time must be within the following maturity bands:

Fixed Rate Maturity Profile Limit		
Period	Minimum	Maximum
1 to 3 years	20%	60%
3 to 5 years	20%	60%
5 to 10 years	10%	60%

*Floating rate debt may be spread over any maturity out to 12 months. Bank advances may be for a maximum term of 12 months.

Overall, the Corporate Services Manager sets the interest rate risk management strategy by monitoring the interest rate markets on a regular basis and evaluating the outlook for short-term and long-term interest rates in comparison to the rates payable on its fixed rate borrowing. Interest rate risk management must be administered with regard to the hedging parameters within the above limits. Council approval will be sought if the Corporate Services Manager believes that hedging outside of these parameters is warranted.

Interest rate risk strategy is managed through the use of interest rate risk management instruments (see Appendix II) to convert fixed rate borrowing into floating rate or hedged borrowing and floating rate borrowing into fixed or hedged borrowing.

A current list of approved interest rate risk management instruments with appropriate definitions is included in the Risk Management Took Kit in Appendix II of the Treasury Management Policy. Additions to, and deletions from, this list are recommended by the Corporate Services Manager and approved by the Council. The Corporate Services Manager is authorised to use Council approved interest rate risk management instruments on a case by case basis.

3.6 Security

In general, Council will secure its borrowings against its rates revenue as per section 115 of the Local Government Act 2002. The Council has a Deed Sharing Arrangement presently (which is likely to change to a Debenture Trust Deed arrangement) which is offered to lenders/investors and providers of incidental arrangements as security. Other forms of security may be considered if they can lower the cost of borrowing.

Security may be offered over specific assets with prior Council approval. Council will offer security on infrastructure assets where special rating provisions apply.

A register of charges will be maintained by the Council and will be available for inspection.

3.7 Repayment

The Council repays borrowings from rates, surplus funds or proceeds from the sale of investments and assets.

Rates are defined as charges levied under the Local Government (Rating) Act 2002, subjected to Council's Annual Plan or LTCCP process and duly advertised and levied on rating instalment notices.

Surplus funds and proceeds from the sale of investments and assets will be used to repay borrowing unless the Council determines otherwise.

Council policy where it is to the advantage of ratepayers is to repay net external debt to a minimum level of \$4 million per year.

3.8 Internal Debt Management

The treasury function is responsible for administering the Council's internal debt portfolio. Loans are set up within the internal debt portfolio based on planned loan funded capital expenditure, and allocated to the department or project incurring the capital expenditure. The following operational parameters apply to the management of the Council's internal debt portfolio:

- Capital expenditure details are extracted by the Accounting Manager at month end.
- A notional internal loan is set up for all new capital expenditure and allocated in the internal portfolio to the department incurring the expenditure.
- Interest is charged by treasury to departments on month end loan balances at average monthly funding costs incurred by Council.
- Treasury uses the internal debt portfolio as an input into determining its external debt requirements. Where possible, the Council's reserves are used to reduce external debt, effectively reducing the Council's net interest cost.

3.9 Reserves

The Council has a number of reserves that have been created for specific purposes. Such reserves are used to reduce external borrowings in order to avoid the negative spread on interest rates between borrowed and invested money.

Reserve funds must be available subject to reasonable notice, to the respective committees of Council for specific use.

Council reserves are utilised for the internal funding of asset investments. They are not necessarily held as liquid assets. The Council maintains committed lines sufficient to cover the sum of the Council's contingency reserves.

Appendix 3: Treasury Management Policy (cont.)

3.10 Counterparty Credit Risk

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where Council is a party. The credit risk to Council in a default event will be weighted differently depending on the type of instrument entered into.

Credit risk will be regularly reviewed by Council. Exposures should be spread among a number of counterparties to avoid concentrations of credit exposure. Counterparty limits and credit exposure measurement criteria are set out in Section 7.

Despite anything earlier in this Liability Management Policy, the Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- (a) contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
- (b) provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- (c) commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- (d) subscribe for shares and uncalled capital in the LGFA; and
- (e) secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

4 Investment Policy

4.1 Investment Mix

The Council has a significant portfolio of investments comprising:

- Equity investments (covered in Section 4.3).
- Asset investments (covered in Section 4.4).
- Associated organisations (covered in Section 4.5).

4.2 General Policy

Council's philosophy is to ensure that the return on investments in cash, realisable capital growth and/or public good over time, is equal to or greater than the average cost of Council's borrowings.

The Council will not hold cash investments other than those involving special funds and cash management investments. In its cash investment activity, the Council's primary objective when investing is the protection of its investment. Accordingly, any credit worthy counterparties will be acceptable. The Council's policy on managing credit risk is contained in Section 7 of the Treasury Management Policy.

Council's policy is to invest into banks with short-term rating minimum of A-1+ and long-term AA-, by Standard and Poor's Rating (or equivalent rating) (see section 7).

Within the above credit constraints, Council also seeks to:

- Ensure investments are negotiable and liquid.
- Manage potential capital losses.
- Maximise investment return.

4.3 Equity Investments

4.3.1 Port Nelson Limited

Nature of Investment and Rationale for Holding

Council is a 50% shareholder in this Company, with Nelson City Council holding the other 50% shareholding. Future investments in the port will be measured on their ability to return current market rates of return to the shareholders.

Disposition of Revenue

The current directors policy is that a dividend equal to 50% of net profit after tax will be returned to shareholders annually.

Risk Management

Risks associated with Council's investment in Port Nelson Ltd are limited.

Management/Reporting Procedures

Quarterly reports are received and reviewed by Council. Election of Directors takes place at the Company's annual general meeting.

Specific Policy

To retain 50% investment in Port Nelson Ltd. This Company is regarded by Council as a strategic investment and is noted for its efficient and flexible operations.

4.3.2 Nelson Airport Limited**Nature of Investment**

Council is a 50 percent shareholder in this company, with Nelson City Council holding the other 50 percent shareholding. Future investments in the company will be measured on their ability to return current market rates of return to the shareholders.

Council's investment is represented by 1.2 million ordinary one dollar shares.

Rationale for Holding Investment

Council intends to maintain its 50 percent investment in Nelson Airport Ltd and aims with Nelson City Council to retain effective local body control of this strategic investment.

Disposition of Revenue

This Company has resolved to pay an annual dividend detailed in its Statement of Intent and adopted by the shareholders for each of the next three years.

Risk Management

Nelson Airport Ltd is an autonomous entity, with

Directors appointed by the two local authorities.

Directors are required to manage the company on behalf of the shareholders, in accordance with the requirements of the Companies Act 1993.

4.3.3 Tourism Nelson Tasman Ltd**Nature of Investment**

This Company was established on 1 July 1994 with a view to promoting and marketing tourism activities of the District to the potential tourism market throughout New Zealand, the Pacific basin and ultimately the rest of the world.

Tasman District Council and Nelson City Council each hold a 50 percent share in this company.

Disposition of Revenue

Council is not planning to receive a dividend from the shares in Tourism Nelson Tasman Ltd.

Risk Management

Risks associated with Council's investment in Tourism Nelson Tasman are limited.

Management/Reporting Policies

To retain and utilise strategic benefits of investment in this company.

4.4 Asset Investments**4.4.1 Forestry****Nature of Investment**

The Council and its predecessor organisations have been involved in forestry for many years. Council's current forestry policy is that it will operate and maintain up to 3,000 planted hectares.

Rationale for Holding Investment

Forestry is a flexible investment – the resource can be manipulated to suit cash flow requirements and market conditions. Council has achieved economies of scale with 3,000 hectares. This provides a marketing advantage and cost savings in operations.

Appendix 3: Treasury Management Policy (cont.)

Disposition of Revenue

Current policy is to provide a fixed sum from net forestry revenue towards subsidising general rate in each financial year. Current statute requires that 10% of net forestry revenues be used for maintenance of Rabbit Island each year. Council's Enterprise Subcommittee currently contributes \$145,656 from forestry revenues to the maintenance of Rabbit Island each year. This figure is currently in excess of 10%. The forestry activity will from time to time contribute to Council's general rate – annual contributions are detailed in the 10 Year Activity Management Report.

Risk Management

Council's forests are currently managed under contract by consultants P F Olsen & Co Ltd. Forestry activities are reviewed quarterly by Council's Enterprise Subcommittee.

Significant risk management strategies include diversity of forest age classes, insurance against fire, mix of species, geographic spread of forests and controlled access.

Policies for Forestry

Retention of forestry investment is reviewable annually.

4.4.2 Property Investments

Nature of Investment

Council currently has a range of investment property holdings defined within categories of:

- Ready saleable assets.
- Strategically placed land, precluding the sale of operational properties.
- Assets saleable after a specific process (often subdivision).
- Land with high community value.

Property investments do not include properties for operational purposes.

Rationale for Holding Investment

Council's current property holding, management and operational philosophies are contained within the Property Asset Management Plan. This policy clearly defines Council's statutory obligation, levels of service, tenancy requirements, maintenance scheduling, return on investments and any other pertinent property related matters.

Disposition of Revenue

Council policy requires that surplus funds generated from Council's property activities are utilised as a contribution against annual general rate.

Revenues are generated both from commercial property sources at negotiated market rentals and internally assessed occupational costs.

Risk Management

Council's property activities are managed by a Property Manager and specifically assigned staff.

Council has a delegated Enterprises Subcommittee which is regularly briefed on property related matters, considers all proposed property acquisition, property disposals and utilisation of revenues generated from Council's properties.

4.4.3 Community Housing

Nature of Investment

Council currently has 97 community houses available for rental, generally to elderly or disabled persons.

These houses are located in:

Croucher Street, Richmond	10
Hill Street, Richmond	20
Vosper Street, Motueka	27
Mears Haven, Motueka	18
Starveall Street, Brightwater	7
Edward Street, Wakefield	7
Commercial Street, Takaka	4
Fairfax Street, Murchison	4

Rationale for Holding Investment

Council continues to retain community housing to meet its considered obligation for the provision of rental accommodation, primarily for the elderly or people with disabilities.

Council's philosophies include ensuring that rental charges cover cost (excluding depreciation) and to continue to maintain the housing at its current high standard. There is no required rate of return on this investment.

Disposition of Revenue

Council operates its community housing activity in the nature of a "closed account" whereby revenues generated are utilised for debt repayment on loans outstanding on this asset and for meeting the annual maintenance schedules. A small dividend is returned to Council's Community Services Committee annually from this account.

Risk Management

Council's community housing activities are managed by staff in the Community Services Department.

Council's Community Services Committee regularly reviews Council's involvement in community housing, including assessment of the need for this asset within the community.

4.4.4 Camping Grounds

Nature of Investment

Council owns four camping grounds within its District (Collingwood, Pohara, Motueka and Murchison) that are leased to private individuals.

Rationale for Holding Investment

Council's camping grounds are retained for the enjoyment of visitors to and residents of the District.

Disposition of Revenue

Council receives net revenue from these assets which it uses to subsidise general rating activities performed by its Parks and Reserves Department.

Risk Management

Council's Community Services Committee receives regular reports on the nature and activity of its camping grounds. Evaluation of these reports includes continued ownership which is evaluated on an ongoing basis as and when leases become available for renewal.

4.5 Associated Organisations

4.5.1 Nelson Regional Sewerage Business Unit

Nature of Investment

Tasman District Council and Nelson City Council equally share in ownership of this asset. Tasman District Council provides treasury advice and Nelson City Council provides some engineering and administrative services to the Business Unit, which has committee representation from both Councils.

Rationale for Holding Investment

To ensure continuity of wastewater services for the residents and ratepayers of both Tasman District and Nelson City.

Disposition of Revenue

Council does not receive any financial return from this Business Unit. Council's cash commitment to the Business Unit for the 2009/2010 financial year will be \$2,145,361.

Risk Management

The Business Unit is managed by a committee, with representatives from both Councils plus one external representative. This Committee is required to regularly report to the Councils.

Appendix 3: Treasury Management Policy (cont.)

Despite anything earlier in this Investment Policy, the Council may invest in shares and financial instruments issued by of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment.

The Council's objective in making any such investment will be to:

- (a) obtain a return on the investment; and
- (b) ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments, where it is to the overall benefit of Council. Notwithstanding the Counterparty Credit Risk Limits set earlier in this Investment Policy the Council may invest in financial instruments issued by the LGFA up to a maximum of \$30 million.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

5 Cash Management

The treasury function is responsible for managing the Council's cash surpluses and/or deficits.

The Council maintains rolling daily, monthly and annual cash flow projections which form the basis of its cash management activity. The Council maintains one main bank account for its operating cash flows as well as other bank accounts for specialist activities such as borrowing requirements. Individual business units within the Council do not maintain separate bank accounts. Full details of the Council's bank accounts are listed in Appendix VI of the Treasury Management Policy.

The Council manages its working capital balances by matching expenditure closely to its revenue streams, and managing cash flow timing differences to its favour. Daily bank balances are extracted by the Financial Accountant.

Generally cash flow surpluses from timing differences are available for periods less than 90 days.

Cash management activities must be undertaken within the following parameters:

- Cash flow surpluses will be placed in bank call deposits, registered certificates of deposit or bank bills for a term of up to three months. Amounts invested must be within limits specified in Section 7 of the Treasury Management Policy.
- An optimal daily range of -\$500,000 to +\$500,000 is targeted for in the Council's main bank account, with amounts drawn from the Council's money market lines, if required.
- The Council will maintain a committed bank overdraft facility of not more than \$3 million.
- The use of interest rate risk management on cash management balances is not permitted.
- The Council will maintain committed funding lines consistent with section 3.4.

6 Foreign Exchange Management

Council will not borrow or enter into incidental arrangements within or outside New Zealand in currency other than New Zealand currency, without the resolution of full Council.

7 Treasury Counterparty Exposure Limits

The Council ensures that all short-term investments of cash, interest rate risk management, as well as any foreign exchange activity is undertaken with institutions that are of a high quality credit standing to ensure amounts owing to the Council are paid fully and on due date.

More specifically, the Council minimises its credit exposure by:

- Ensuring all investment, cash management, interest risk management and any foreign transactions are undertaken with entities that have a Standard and Poor's (S&P) credit rating (or equivalent) no worse than the minimum levels stated in the table below.
- Limiting total exposure to prescribed amounts.
- Rigorously monitoring compliance against set limits.

Institution	Minimum S&P short-term issuer credit rating	Minimum S&P long-term credit rating	Total exposure limit for each counterparty
Government	N/A	N/A	Unlimited
Registered Bank	A-1+	AA-	\$30 million

Appendix 3: Treasury Management Policy (cont.)

If any counterparty's credit rating falls below the minimum specified in the above table then all practical steps are taken to reduce the credit exposure to that counterparty to zero as soon as possible. Exceptions are reported to the Chief Executive and reported to Council. A current list of S&P rated issuers is included in Appendix V.

Exposures to each counterparty are computed as follows:

- On-balance Sheet
Total amounts invested with that counterparty.
- Risk Management Instruments.

In determining the usage of the above gross limits, the following product weightings will be used:

- Interest Rate Risk Management (e.g. swaps, FRAs):
Transaction Notional x Maturity (years x 3%).

Netting Arrangements

Exposures computed above can be netted where there is a right to set-off which is enforceable by law, e.g. transactions entered into under a single master agreement.

8 Banking Relationships

As in other parts of its activities, the Council's preference in the treasury management area is to deal with preferred suppliers. The Council's choice of relationship banks is determined by its desire to benefit from long-term relationships rather than seeking the best returns in the short-term.

Each financial institution must be capable of providing the Council with:

- Comprehensive treasury services in NZD products. In this regard, while day to day transactional requirements are important, it is the Council's borrowing requirements that are likely to drive key relationships.

- Proven expertise and a track record in arranging local capital markets facilities.
- A desire to accommodate Council funding without additional security requirements.

The Council's cash management and interest rate risk management activities are undertaken with its relationship bank(s).

The Council's banking relationships will be reviewed at least every three years.

9 Reports and Meetings

9.1 Reports

The following reports will be produced:

Report Name	Frequency	Prepared By	Reviewed By	Recipient
Daily Cash Position	Daily	Financial Accountant	Accounting Manager	Corporate Services Manager
Treasury Report - funding facility; - cost of funds vs. budget - income vs. budget - new treasury transactions	Monthly	Accounting Manager	Corporate Services Manager	Corporate Services Committee Chief Executive
Limits Report - policy limit compliance; - borrowing limits/ratios - counterparty credit - liquidity risk	Monthly	Accounting Manager	Corporate Services Manager	Corporate Services Committee Chief Executive
Debt Maturity Profile - Funding and interest rate position	Monthly	Financial Accountant	Corporate Services Manager	Corporate Services Committee Chief Executive
Revaluation of financial instruments	Quarterly	Accounting Manager	Corporate Services Manager	Corporate Services Committee Chief Executive

10 Delegated Authorities

Pursuant to clause 32(2), schedule 7, of the Local Government Act 2002, Council may make delegations to officers of Council to allow for the efficient conduct of Council business. Clause 32(3), schedule 7 of this Act allows officers to delegate those powers to other officers.

Notwithstanding clause 32(1)(c), schedule 7 the power to borrow money, or purchase or dispose of assets, other than in accordance with the Ten Year Plan remains the sole responsibility of Council. This responsibility cannot be delegated.

Appendix 3: Treasury Management Policy (cont.)

Approved delegations to Officers are contained within the Council's register. All delegations are approved by Council resolution. The Treasury Management Policy related delegation is outlined in the table below:

Activity	Delegated to
Approve policy document	Council
Alter policy document	Council
Open/close bank accounts	Council/Mayor
Acquire and dispose of investments other than for financial investments	Council
Approve borrowing programme for the year	Council
Approve charging assets as security over borrowing	Council
Approve new loans in accordance with Council resolution	Corporate Services Manager
Refinancing existing debt	Corporate Services Manager
Negotiate debt in relation to pricing, term and maturity date	Corporate Services Manager
Approve signatories	Chief Executive
Approve funds transfer signatories	As per register approved by Chief Executive
Manage borrowing, interest rate strategy	Corporate Services Manager/Accounting Manager
Maximum daily transaction amount (borrowing, investing, interest rate risk management and cash management) excludes rollovers on debt facilities	Council (unlimited) Chief Executive (\$50 million) Corporate Services Manager (\$20 million) Accounting Manager (\$5 million)
Approve interest rate risk management instruments contained in the Risk Management Tool Kit in Appendix III and subsequent additions and deletions.	Council
Authorise use of Council approved interest rate risk management instruments.	Corporate Services Manager
Manage Council cash requirements	Accounting Manager
Ensure policy compliance	Corporate Services Manager
Triennial review of policy	Corporate Services Manager

Note: In the case of absence of Council officers, cross delegations as incorporated in 2.1 Treasury responsibilities will apply.

11 Key Internal Controls

The Council's systems of internal controls over treasury activity include:

- Adequate segregation of duties among the core treasury functions of deal execution, confirmation, settling and accounting/reporting. There are a small number of people involved in treasury activity. Accordingly strict segregation of duties is not always achievable. Refer to Section 2.2 for more detailed treasury responsibilities. The risk from this will be minimised by the following processes:
 - A documented discretionary approval process for treasury activity.
 - Regular management reporting.
 - Regular operational risk control reviews by the independent audit function.

Organisational, systems, procedural and reconciliation controls to ensure:

- All treasury activity is bona fide and properly authorised.
- Checks are in place to ensure the Council's accounts and records are updated promptly, accurately and completely.
- All outstanding transactions are re-valued regularly and independently of the execution functions to ensure accurate reporting and accounting of outstanding exposures and hedging activity.

More specifically, key internal controls are as follows:

11.1 General

Organisational Controls

- The Corporate Services Manager has responsibility for establishing appropriate structures, procedures and controls to support treasury activity. Detailed procedures supporting the key controls contained in this document are contained in the Council's Treasury Procedures Manual.

- All borrowing, investment, cash management and risk management activity is undertaken in accordance with approved delegations authorised by Council.
- Personnel with dealing responsibilities cannot perform bank reconciliations or act as a cheque signatory.

Cheque/Electronic Banking Signatories

- Positions approved by the Council as per register.
- Dual signatories are required for all cheques and electronic transfers.

Authorised Personnel

- All counterparties are provided with a list of personnel approved to undertake transactions, standard settlement instructions and details of personnel able to receive confirmations.

Confirmations

- Same day faxed confirmations are requested from banks and checked by the Financial Accountant.
- All inward letter confirmations including registry confirmations are received and checked by the Corporate Services Manager against completed deal tickets and summary spread sheet records to ensure accuracy.

Reconciliations

- Bank reconciliations are performed regularly by the Accounts Administrator and checked by the Accounting Manager. Any unresolved unreconciled items arising during bank statement reconciliation which require amendment to the Council's records are signed off by the Corporate Services Manager.
- A monthly reconciliation of the treasury system/spread-sheets to the general ledger is carried out by the Financial Accountant and approved by the Corporate Services Manager.

Appendix 3: Treasury Management Policy (cont.)

11.2 Borrowing

In addition to the controls listed under Section 11.1 the following controls apply to borrowing:

- Borrowing activity is undertaken within borrowing limits specified in Section 3 of this policy.
- All borrowing is undertaken by using competitive bidding processes. Detailed procedures for issuing securities and bank borrowing are included in the Treasury Procedures Manual.

11.3 Investments

In addition to the controls listed in Section 11.1, the following controls apply to investments:

- Investment activity is undertaken within limits specified in Section 4 and Section 7 of this policy.
- All deliverable certificates of investments (for example, bank bills) are held in safe custody in Council's safe or with the originating bank.

11.4 Incidental Arrangements

In addition to the controls listed under Section 11.1, the following controls apply to incidental arrangements:

- The use of incidental arrangements is confined to managing interest rate risk of Council borrowings and is to be within the confines of the parameters and instruments specified in Section 3 of this policy.
- The use of incidental arrangements requires formal prior approval of the Corporate Services Manager.
- Standard master agreements for incidental arrangements are completed by the Council with its relationship banks.

12 Legal Risk

Legal and regulatory risks relate to the unenforceability of a transaction due to an organisation not having the legal capacity or power to enter into the transaction usually because of prohibitions contained in legislation. While legal

risks are more relevant for banks, Council may be exposed to such risks. In the event that Council is unable to enforce its rights due to deficient or inaccurate documentation.

Council will seek to minimise this risk by adopting policy regarding:

- The use of standing dealing and settlement instructions (including bank accounts, authorised persons, standard deal confirmations, contacts for disputed transactions) to be sent to counterparties.
- The matching of third party confirmations and the immediate follow-up of anomalies.
- The use of expert advice for any non-standardised transactions.

12.1 Agreements

- Financial instruments can only be entered into with banks that have in place an executed ISDA Master Agreement with Council. All ISDA Master Agreements for financial instruments must be signed under seal by the Council.
- Council's appointed legal counsel must sign off on all documentation for new loan borrowings, re-financings and investment structures.

12.2 Financial Covenants and Other Obligations

- Council must not enter into any transactions where it would cause a breach of financial covenants under existing contractual arrangements.
- Council must comply with all obligations and reporting requirements under existing funding facilities and legislative requirements.

13 Accounting Treatment of Financial Instruments

Council uses financial market instruments for the primary purpose of reducing its exposure to fluctuations in interest rates.

The accounting treatment for such financial instruments is to follow IFRS accounting standards.

Valuation of Treasury Instruments

All treasury financial instruments must be revalued (marked-to-market) every three months for risk management purposes. This includes those instruments that are used only for hedging purposes.

Underlying rates to be used to value treasury instruments are as follows:

- Official daily settlement prices for established markets.
- Official daily market rates for short-term treasury instruments (e.g. FRA settlement rates calculated by Reuters from price maker quotations as displayed on the BKBM page).
- Relevant market mid-rates provided by Council's bankers at the end of the business day (5.00 pm) for other over-the-counter treasury instruments.
- For markets that are illiquid, or where market prices are not readily available, rates calculated in accordance with procedures approved by the Corporate Services Manager.

- Analysis of bank and lender service provision, share of financial instrument transactions etc.
- Comments and recommendations from Council's external auditors on the treasury function, particularly internal controls, accounting treatment and reporting.
- An annual audit of the treasury spreadsheet and procedures should be undertaken.
- Borrowing limits should not exceed limits specified in the covenants of lenders to Council.

Council receives the report, approves policy changes and/or rejects recommendations for policy changes.

The policy review should be completed and presented to the Council within five months of the financial year-end.

14 Policy Review

This Treasury Management Policy is to be formally reviewed on a triennial basis.

The Corporate Services Manager has the responsibility to prepare a review report (following the preparation of annual financial statements) that is presented to the Chief Executive. The report will include:

- Recommendation as to changes, deletions and additions to the policy.
- Overview of the treasury management function in achieving the stated treasury objectives, including performance trends in actual interest cost against budget (multi-year comparisons).
- Summary of breaches of policy and one-off approvals outside policy to highlight areas of policy tension.



Richmond

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Appendix 3: Treasury Management Policy (cont.)

Appendix I

Borrowing Instruments Definitions

1 Bank Sourced Borrowing

1.1 Bank Bill Facilities

Commercial Bills cover all types of bills of exchange which are defined under the Bills of Exchange Act 1908 as:

“An unconditional order in writing, addressed by one person to another signed by the person giving it, requiring the person to whom it is addressed to pay on demand, or at fixed or determinable future time, a sum certain in money to, or to the order of a specified person, or to bearer.”

Bank bill facilities are normally for a term of up to three years, but may be for as long as five years. Bank Bills are bills of exchange, drawn or issued usually by the original borrower and accepted or endorsed by a bank.

For a Bank Accepted Bill, the bank makes the payment of the face value of the bill on maturity. Most bank bills traded in the New Zealand market are Bank Accepted Bills.

Bank Endorsed Bills have been endorsed by a bank with another party as acceptor. In the event of default of the original acceptor, payment can be sought through the chain of endorsers to the bill.

An investor in bank bills can sell the bills prior to maturity date and receive the cash. Bank bills are a longer term borrowing instrument than cash loans. Bills are normally drawn for terms of 30, 60 or 90 days, with a few being drawn for 180 days. The 90 day bank bill is the underlying traded benchmark instrument for the short end of the market.

Costs

The principal costs to the borrower are the discounting bank's yield at which it discounts the bill at the time of draw down, an arrangement fee, and acceptance fee and line fee (expressed in basis points or percentage

per annum) and margin. Acceptance fees, arranger fees, line fees and margins in aggregate normally range between 35-300 basis points (i.e. 0.35%-3.00%), depending on the credit worthiness of the borrower.

1.2 Revolving Credit Facilities (Variable Amount Term Loans)

Revolving credit facilities are similar from a borrower's perspective, except interest is paid in arrears rather than upfront as in the case of bank bills. Revolving credit facilities are usually for a term of up to three years but may be for as long as five years and like bank bills, drawings under the facility are priced off the bank bill buy rate. Most facilities allow for the borrower to draw up to the facility amount in various tranches of debt and for various terms out to a maximum term of the maturity date of the facility. Like bank bills, most borrowers use these facilities to borrow on a 90 day basis.

Costs

The principal costs are the same as with bank bills the lending banks yield which sets the base rate at the time of lending, an arrangement fee, an acceptance fee and a line fee (expressed in basis points or percentage per annum) and the margin. Acceptance fees, arranger fees, lines fees and margins in aggregate normally range between 35-300 basis points (i.e. 0.35%-3.00%), depending on the credit worthiness of the borrower.

1.3 Short-term Money Market Lines

Short-term money market loans or cash loans can be Committed or Uncommitted. A customer pays for a guarantee of the availability of the funds in a Committed Loan. In an Uncommitted Loan, funds are provided on a best endeavours basis and no line/commitment fee is payable. In addition to a line fee, a margin may be charged on any line usage.

The main usage of cash loans is to cover day-to-day shortfalls in funds. The interest rate is governed by the term of the borrowing and the implied or implicit credit rating of the borrower. Cash loans are short-term only and are normally drawn for a term of one (overnight) to seven days. Interest collection can be daily.

Appendix II

The Risk Management Tool Kit

1 Approved Interest Rate Risk Management Instruments

- a) Interest rate risk management instruments approved for use, consistent with the policy contained in Section 3.5 are:
- Fixing through physical borrowing instruments – loan stock, debentures, medium term notes, bank term loan.
 - Floating through physical borrowing instruments – short-term revolving stock, bank borrowing, promissory note programme.

- b) The following interest rate risk management instruments are available for interest rate risk management activity, but are to be specifically approved by the Council (refer to glossary of terms):

Forward rate agreements (“FRAs”) ON:

- Bank bills
- Government bonds

Interest rate swaps including:

- Forward start swaps
- Amortising swaps (whereby notional principal amount reduces)
- Swap extensions and shortenings

Interest rate options on:

- Bank bills (purchased caps and one for one collars)
- Interest rate swaps (purchased swaptions and one for one collars)
- Government bonds

Any other financial instrument must be specifically approved by Council on a case-by-case basis and only be applied to the one singular transaction being approved.

Credit exposure on these financial instruments is restricted by specified counterparty credit limits:

- Interest rate options must not be sold outright. However, 1:1 collar option structures are allowable where the sold option is matched precisely by amount and maturity to the simultaneously purchased option. During the term of the option, the sold option can be closed out by itself (i.e. repurchased). The sold option leg of the collar structure must not have a strike rate “in-the-money”.
- Purchased borrower swaptions mature within 18 months.
- Forward start period on swaps and collar strategies to be no more than 24 months, and the underlying cap or swap starts within this period.
- Interest rate options with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 1.00% above the appropriate swap rate, cannot be counted as part of the fixed rate cover percentage calculation.
- Buying and selling of financial futures is not permitted, primarily due to the administrative burden and the ready availability of other more tailored risk management products.
- Structured or leveraged interest rate option strategies where there is any possibility of the Council’s total interest expense increasing in a declining interest rate market or where the Council’s total interest cost is increasing faster than the general market rate.

2 Glossary of Terms

- **Amortising Swap:** An interest rate swap contract that has a reducing principal or notional amount over the term of the contract period. The appropriate market swap rate from which to price an amortising swap is the weighted average maturity, not the final maturity date.
- **Accreting Swap:** An interest rate swap contract that has an increasing principal or notional amount over the term of the contract period. The appropriate market swap rate from which to price an accreting swap is the weighted average maturity, not the final maturity date.

Appendix 3: Treasury Management Policy (cont.)

- **Bank Bill:** A “bill of exchange” security document issued by a corporate borrower, but guaranteed by a bank, who then in turn sells the security into the bank/investor market to re-liquify itself with cash. Normally for terms of 30, 60, 90 or 180 days.
- **Base Rate:** Normally a lending bank’s cost of funds/interest rate for a particular funding period. The base or “prime” rate will be changed by the bank from time to time, but not every day like market rates.
- **Basis Point(s):** In financial markets it is normal market practice to quote interest rates to two decimal places, e.g. 6.25% - one basis point is the change from 6.25% to 6.26%, one hundred basis points is the change from 6.25% to 7.25%.
- **Basis Risk:** The risk that the interest rate difference between the current physical debt instrument (say, a bank bill) market interest rate and the interest rate quoted for that debt instrument’s future price (say, a bank bill futures price) changes over the period to the date of the future price.
- **Benchmark:** An agreed market related yardstick that investor returns, funding costs or average exchange rate achieved are compared against for performance measurement purposes.
- **Bid-Offer Spread:** The exchange points (FX) or basis points (interest rates) difference between the bid and offer rate when quoted by a bank is known as the “bid-offer spread”. Banks make their profits from dealing at their own bid and offer prices, thus earning the spread.
- **Bid Rate:** Exchange rates and interest rate securities/instruments that are traded between banks are always quoted as a two-way price. One rate is where the quoting bank will buy – the bid rate, the second rate or price where the bank will sell at – the offer rate.
- **Bond:** The security instrument that is issued by a borrower whereby they promise to repay the principal and interest on the due dates. A bond’s interest rate is always fixed.
- **Bond FRA:** A tailored contract to buy or sell a bond (government or corporate) at a fixed interest rate at some specified future date. The Bond FRA contract rate will differ from the current physical market bond yield, depending on the slope of the interest rate yield curve.
- **Bond Option:** The right, but not the obligation by the owner/holder of the option to buy or sell bonds (government or corporate) at a predetermined interest rate at a specified future date. The buyer pays a “premium” in cash up-front to reduce risk and have insurance-type protection, the seller or grantor of the bond option receiving the premium for assuming the risk.
- **Call Option:** The owner or buyer of a call option has the right, but not the obligation, to buy the underlying debt security/currency/commodity at the price stated in the option “contract”.
- **Cap:** A series or string of bought interest rate put options whereby a borrower can have protection against rising short-term interest rates, but participate in the lower rates if market rates remain below the “capped rate”. A cap is normally for more than one 90-day funding period.
- **Certificate of Deposit “CD”:** A debt instrument (normally short-term) issued by a bank to borrow funds from other banks/investors.
- **Closing-Out:** The cancellation/termination of a financial instrument or contract before its maturity date, resulting in a realised gain/loss as the current market rate differs from the contract rate.
- **Collar Two:** Option contracts linked together into the one transaction or contract. A borrower’s collar is normally a bought “cap” above current market

rates and a sold “floor” below current rates. Over the term of the collar contract, if rates go above the cap the borrower is protected and pays an interest cost no more than the cap rate. Likewise, if market rates fall below the floor, the borrower pays the floor rate and does not participate in the lower market rates. Also called a “cylinder”.

- **Collateral:** A legal term means “security”.
- **Commercial Paper:** The debt security instrument issued by a prime (and normally credit-rated) borrower to raise short-term funds (30, 60, 90 or 180 days). Also called “one-name paper” and “promissory notes” issued by competitive public tender to investors or by private treaty to one investor.
- **Commoditised:** When a financial market or instrument becomes so popular and “plain vanilla” that there is no longer any difference in the prices quoted by participants in the market.
- **Convexity:** A measure of the degree of curve or slope in an interest rate yield curve.
- **Coupon:** The interest rate and amount that will be paid on the interest due dates of a bond. The coupon will normally differ from the purchase or issue yield/interest rate on a bond instrument.
- **Counterparty:** The contracting party to a financial transaction or financial instrument.
- **Covenants:** Special conditions and financial ratios required to be met or maintained by a borrower for a lender under the legal security documents.
- **Cover:** A term used to describe any action of entering financial instruments that reduces risk or puts protection in place against adverse future price movements.
- **Credit Risk or Exposure:** The risk that the other party to a financial transaction (bank deposit,

interest rate swap contract) will default on or before the maturity date and not be able to fulfil their contractual obligations.

- **Credit Spread:** The interest rate difference (expressed as basis points) between two types of debt securities. The credit spread being a reflection of the difference in credit quality, size, and liquidity between the two securities e.g. five year corporate bonds may be at a credit spread of 200 basis points above Government bonds.
- **CSFB NZGS Index:** Credit Suisse First Boston NZ Government Stock Index.
- **Current Ratio:** A liquidity measure to determine how quickly Council can generate cash. Current assets are divided by current liabilities.
- **Debenture:** A debt instrument similar to a bond whereby a borrower (normally a finance company) borrows for a longer term at a fixed rate. Also a legal instrument provided as security to a lender.
- **Delta:** “Greek” letter that measures how the price of an option (premium) changes given a movement in the price of the underlying asset/ instrument.
- **Derivative(s):** A “paper” contract whose value depends on the value of some “underlying” referenced asset e.g. share market stocks, bank bills, bonds or foreign currency. Also called a “synthetic”. The value of the assets will change as its market price changes; the derivative instrument will correspondingly change its value.
- **Digital Option:** An option contract that provides a predetermined payout based on an agreed and contracted market price path.
- **Discount:** A bond or bank bill is discounted when the interest rate is applied to the face value of the security and the net proceeds after deducting

Appendix 3: Treasury Management Policy (cont.)

the interest is paid out to the borrower. Investors pay for the discounted (NPV) value at the commencement of the investment and receive the interest coupon payments along the way and the full face value at the maturity date.

- **Duration:** Not the simple average maturity term of a debt or investment portfolio, but a measure of the interest rate risk in a portfolio at a particular point in time. The duration of a portfolio is the term (measured in years and months) if the total portfolio of bonds/fixed interest investments was revalued at market rates and expressed as one single bond. The profit/loss on revaluation of a one basis point movement being the same in both cases.
- **Embedded Option:** An option arrangement that may be exercised by a borrower at a future date, but the determining conditions are buried or “embedded” in a separate debt or financial instrument.
- **Eurodollar:** The borrowing and depositing of a currency outside its domestic financial markets.
- **Event Risk:** The risk of a major/unforeseen catastrophe e.g. earthquake, year 2000, political elections adversely affecting a Council’s financial position or performance.
- **Exchange Traded:** A currency, debt or financial instrument that is quoted and traded on a formal exchange with standardised terms, amounts and dates.
- **Exercise Date/Price:** The day and fixed price that an option contract is enforced/actioned or “exercised” because it is in the interests of one of the parties to the contract to do so.
- **Fair Value:** The current market value of an off-balance sheet financial instrument should it be sold or closed-out on the market rates ruling at the balance date.
- **Federal Reserve:** The US Government’s central bank and/or monetary authority.
- **Fixed Rate:** The interest rate on a debt of financial instrument is fixed and does not change from the commencement date to the maturity date. Fixed is defined as an interest rate that does not change in the next 12 months.
- **Floating Rate:** The interest rate on a loan or debt instrument is re-set at the ruling market interest rates on the maturity date of the stipulated funding period (usually 90-days). Floating is defined as an interest rate that changes in the next 12 months.
- **Floor:** The opposite of a “cap: An investor will buy a floor, or a series/string of call options (the right to buy) to protect against falling interest rates, but be able to invest at higher interest rates if rates move upwards. A borrower may sell a floor as part of a collar structure to generate premium to pay for the “linked” bought cap.
- **Forward Rate Agreement:** A contract (“FRA”) whereby a borrower or investor in Bank Bills or Government Bonds agrees to borrow or invest for an agreed term (normally 90-days) at a fixed rate at some specified future date. A FRA is an “over-the-counter” contract as the amount and maturity date is tailored by the bank to the specific requirements of the borrower/investor.
- **Forward Start Swap:** An interest rate swap contract that commences at a future specified date. The rate for the forward starting swap will differ from the current market rate for swaps by the shape and slope of the yield curve.
- **Funding Risk:** The risk that a borrower cannot re-finance its debt at equal or better terms at some date in the future, in terms of lending margin, bank fees and funding time commitment. Funding risk may increase due to the Council’s own credit worthiness, industry trends or banking market conditions.

- **Futures:** Exchange-traded financial and commodity markets which provide forward prices for the underlying asset, instrument or commodity. Futures contracts are standardised in amount, term and specifications. Futures markets are cash-based, transacting parties do not take any counter party credit risk on each other. Deposits and margin-calls are critical requirements of all futures markets.
- **Gamma:** "Greek" letter used in option pricing that measures how rapidly the delta of an option changes given a change in the price of the underlying asset/instrument.
- **Hedging:** The action of reducing the likelihood of financial loss by entering forward and derivative contracts that neutralise the price risk on underlying financial exposures or risks. The gain or loss due to future price movements on the underlying exposure is offset by the equal and opposite loss and gain on the hedge instrument.
- **High-Yield Bonds:** Corporate bonds issued by borrowing companies that are non-prime i.e. have a low or no credit rating. The margin or credit spread above Government bonds yields is high (>300 basis points) to compensate the investor into the bond for the higher credit and liquidity risk.
- **Implied Volatility:** Used in option pricing. To estimate the future volatility of the underlying asset or instrument, the option pricing models use historical volatility (expressed as percentage) as a key variable to calculate the option premium amount. The movement in option prices is therefore a good indicator of future market volatility, as volatility is "implied" in the option price.
- **Index Linked Bonds:** Debt instruments that pay an interest coupon or return that is wholly or partially governed by the performance of another separate index e.g. a share market index, or the gold price.
- **ISDA International Security Dealers Association:** A governing body that determines legal documentation/standards for over-the-counter swaps/options/FRAs and other derivative instruments for interest rates, currencies, commodities etc. Corporate users of such instruments sign an ISDA Master Agreement with banking counterparties that covers all transactions.
- **Incidental Arrangements:** The term used in the Local Government Act for interest rate risk management instruments or derivatives.
- **Interest Rate Swaps:** A binding paper contract where one party exchanges, or swaps, its interest payment obligations from fixed to floating basis, or floating to fixed basis. The interest payments and receipts under the swap contract being offsetting, equal and opposite to the underlying physical debt.
- **"In-the-Money" Option:** An option contract that has a strike price/rate that is more favourable or valuable than the current market spot or forward rate for the underlying currency/instrument.
- **Inverse Yield Curve:** The slope of the interest rate yield curve (90-days to years) is "inverse" when the short-term rates are higher than the long-term rates. The opposite, when short-term rates are lower than long-term interest rates is a normal curve or "upward sloping". In theory, a normal curve reflects the fact that there is more time, therefore more time for risk to occur in long-term rates; hence they are higher to build in this extra risk premium.
- **Liability Management:** The policy, strategy and process of proactively managing the treasury exposures arising from a portfolio of debt.
- **LIBOR:** London Inter-bank Offered Rate, the average of five to six banks quote for Eurodollar deposits in London at 11.00 am each day. The accepted interest rate-fixing benchmark for most offshore loans.

Appendix 3: Treasury Management Policy (cont.)

- **Limit(s):** The maximum or minimum amount or percentage a price or exposure may move to before some action or limitation is instigated. Also called “risk control limits”.
- **Liquidity Risk:** The risk that Council cannot obtain cash/funds from liquid resources or bank facilities to meet foreseen and unforeseen cash requirements. The management of liquidity risk involves working capital management and external bank/credit facilities.
- **“Long” Position:** Holding an asset or purchased financial instrument in anticipation that the price will increase to sell later at a profit.
- **Look-back Option:** An option structure where the strike price is selected and the premium paid at the end of the option period.
- **Marked-to-Market:** Financial instruments and forward contracts are revalued at current market rates, producing an unrealised gain or loss compared to the book or carrying value.
- **Margin:** The lending bank or institution’s interest margin added to the market base rate, normally expressed as a number of basis points.
- **Medium Term Notes:** A continuous programme whereby a prime corporate borrower has issuance documentation permanently in place and can issue fixed rate bonds at short notice under standard terms.
- **Moody’s:** A rating agency similar to Standard & Poor’s.
- **Netting:** Method of subtracting currency receivables from currency payables (and vice versa) over the same time period to arrive at a net exposure position.
- **Open Position:** Where a Council has purchased or sold an asset, currency, financial security or instrument unrelated to any physical exposure, and adverse/favourable future price movements will cause direct financial loss/gain.
- **Option Premium:** The value of an option, normally paid in cash at the commencement of the option contract, similar to an insurance premium.
- **Order:** The placement of an instruction to a bank to buy or sell a currency or financial instrument at a preset and pre-determined level and to transact the deal if and when the market rates reach this level. Orders are normally placed for a specific time period, or “good till cancelled”. The bank must deal at the first price available to them once the market level is reached. Some banks will only take orders above a minimum dollar amount.
- **“Out-of-the-Money”:** An option contract which has a strike price/rate that is unfavourable or has less value than the underlying current spot market rate for the instrument.
- **Over-the-Counter:** Financial and derivative instruments that are tailored and packaged by the bank to meet the very specific needs of the corporate client in terms of amount, term, price and structure. Such financial products are non-standard and not traded on official exchanges.
- **Perpetual Issue:** A loan or bond that has no final maturity date.
- **Pre-hedging:** Entering forward or option contracts in advance of an exposure being officially recognised or booked in the records of the Council.
- **Primary Market:** The market for new issues of bonds or MTNs.
- **Proxy Hedge:** Where there is no forward or derivative market to hedge the price risk of a particular currency, instrument or commodity. A proxy instrument or currency is selected and used as the hedging method as a surrogate.

There needs to be a high correlation of price movements between the two underlying prices to justify using a proxy hedge.

- **Put Option:** The right, but not the obligation to sell a debt security/currency/commodity at the contract price in the option agreement.
- **Revaluation:** The re-stating of financial instruments and option/forward contracts at current market values, different from historical book or carrying values. If the contracts were sold/bought back (closed-out) with the counter party at current market rates, a realised gain or loss is made. A revaluation merely brings the contract/instrument to current market value.
- **Roll-over:** The maturity date for a funding period, where a new interest rate is reset and the debt re-advanced for another funding period.
- **Secondary Market:** The market for securities or financial instruments that develops after the period of the new issue.
- **“Short” Position:** Selling of an asset or financial instrument in anticipation that the price will decrease or fall in value to buy later at a profit.
- **Spot Rate:** The current market rate for currencies, interest rates for immediate delivery/settlement, and normally two business days after the transaction is agreed.
- **Standard & Poor’s:** A credit rating agency that measures the ability of an organisation to repay its financial obligations.
- **Stop Loss:** Bank traders use a “stop-loss order” placed in the market to automatically closeout an open position at a pre-determined maximum loss.
- **Strike Price:** The rate or price that is selected and agreed as the rate at which an option is exercised.
- **Strip:** A series of short-term interest rate FRAs for a one or two year period, normally expressed as one average rate.
- **Structured Options:** An option instrument where the relationship/profile to the underlying referenced asset or liability is not linear, i.e. 1:1.
- **Swap Spread:** The interest rate margin (in basis points) that interest rate swap rates trade above Government bond yields.
- **Station:** An option on an interest rate swap that if exercised the swap contract is written between the parties. The option is priced and premium paid similar to bank bill and bond interest rate options.
- **Time Value:** Option contracts taken for longer-term periods may still have some time value left even though the market rate is a long way from the strike rate of the option and the option is unlikely to be exercised.
- **Tranches:** A loan may be borrowed in a series of partial drawdowns from the facility, each part is called a tranche.
- **Treasury:** Generic term to describe the activities of the financial function within Council that is responsible for managing the cash resources, financial investments, debt, and interest rate risk.
- **Treasury Bill:** A short-term (<12 months) financing instrument/security issued by a government as part of its debt funding programme.
- **Vega:** Another “Greek” letter that is the name given to the measure of the sensitivity of the change in option prices to small changes in the implied volatility of the underlying asset or instrument price.
- **Volatility:** The degree of movement or fluctuation (expressed as a percentage) of an asset, currency,

Appendix 3: Treasury Management Policy (cont.)

commodity or financial instrument price over time. The percentage is calculated using mean and standard deviation mathematical techniques.

- **Yield:** Read-interest rate, always expressed as a percentage.
- **Yield Curve:** The plotting of market interest rate levels from short-term (90-days) to long-term on a graph i.e. the difference in market interest rates from one term (maturity) to another.
- **Zero Coupon Bond:** A bond that is issued with the coupon interest rate being zero i.e. no cash payments of interest made during the term of the bond, all interest paid on the final maturity date. In effect the borrower accrues interest on interest during the term, increasing the total interest cost compared to a normal bond of paying interest quarterly, half-yearly or annually.

Appendix III

List of Council approved Financial Institutions and their date of registration

Registered Banks	Date of RBNZ registration	Standard & Poor's		Moody's		Fitch	
		Short	Long	Short	Long	Short	Long
ANZ Banking Group (NZ) Ltd	1 April 1987	A-1+	AA	P-1	Aa1	F1+	AA-
ASB Bank Ltd	11 May 1989	A-1+	AA	P-1	Aa2	F1+	AA
Bank of New Zealand	1 April 1987	A-1+	AA	P-1	Aa2	F1+	AA
Rabobank Nederland	1 April 1996	A-1+	AAA	P-1	Aaa	F1+	AA+
Kiwi Bank	29 November 2001	A-1+	AA-	-	-	-	-
The National Bank of New Zealand Ltd	1 April 1987	A-1+	AA	P-1	Aa1	F1+	AA-
TSB Bank Ltd	8 June 1989	A-2	BBB+	-	-	-	-
Westpac Banking Corporation	1 April 1987	A-1+	AA	P-1	Aa2	F1+	AA-

Appendix IV

Approved Financial Investment Instruments

Investment instruments available in the market (excluding equities and property) can generally be discussed under four broad categories relating to the issuer of these instruments.

1 New Zealand Government

Treasury bills are registered securities issued by the Reserve Bank of New Zealand (RBNZ) on behalf of the Government. They are usually available for terms up to a year but generally preferred by investors for 90 day or 180 day terms. They are discounted instruments, and are readily negotiable in the secondary market.

Government stock is registered securities issued by the RBNZ on behalf of the Government. They are available for terms ranging from one year to 12 year maturities. Government stock has fixed coupon payments payable by the RBNZ every six months. They are priced on a semi annual yield basis and are issued at a discount to face value. They are readily negotiable in the secondary market.

2 Local Authorities

Local Authority stock are registered securities issued by a wide range of local government bodies. They are usually available for maturities ranging from one to 10 years. A fixed or floating coupon payment is made semi annually and quarterly respectively to the holder of the security. They are negotiable and usually can be bought and sold in the secondary market, but liquidity can be patchy. Both credit rated and unrated local authorities also issue commercial paper similar to that described in the corporate section below.

3 Registered Banks

Call and term deposits are funds accepted by the bank on an overnight basis (on call) or for a fixed term. Interest is usually calculated on a simple interest formula. Term deposits are for a fixed term and are expected to be held to maturity. Term deposits are not negotiable instruments. Termination prior to maturity date can often involve penalty costs.

Certificates of deposits are securities issued by banks for their borrowing needs or to meet investor demand. Registered certificates of deposit (RCDs) are non-bearer securities in that the name of the investor, face value and maturity date are recorded at the Reserve Bank and settled through Austraclear. They are paperless securities and are able to be transferred by registered transfer only. RCDs are priced on a yield rate basis and issued at a discount to face value. They are generally preferred over term deposits because investors can sell them prior to maturity.

Bank bills are bills of exchange drawn or issued, usually by a corporate borrower and accepted or endorsed by a bank. The investor is exposed to bank credit risk when investing in such instruments. Bank bills are readily available for any maturity up to 180 days, although 30 to 90 day terms are more common. They are priced on yield basis and issued at a discount to face value. Investors in bank bills can sell the bills prior to maturity date.

4 Corporate

Corporate bonds are generally issued by companies with good credit ratings. These bonds can be registered securities or bearer instruments. A fixed coupon payment is made semi annually to the holder of the security (MTN). They are priced on a semi annual yield basis and are issued at a discount to face value. Corporate bonds are negotiable and can be bought and sold in the secondary market.

Promissory notes or commercial paper are issued by borrowers who usually have a credit rating and standing in the market that is sufficient to enable the notes to be issued without endorsement or acceptance by a bank. The notes are usually underwritten by financial institutions to ensure that the borrower obtains the desired amount of funds. Promissory notes are issued with maturities ranging from seven days to over one year. The common maturities are for 30 and 90 days. The face value of the note is repaid in full to the bearer on maturity.

Appendix 3: Treasury Management Policy (cont.)

Appendix V

S & P Ratings

S & P Australian Ratings Rating Code

AAA rated corporations, financial institutions, governments or asset-backed financing structures (entities) have an extremely strong capacity to pay interest and repay principal in a timely manner.

AA rated entities have a very strong capacity to pay interest and repay principal in a timely manner and differ from the highest rated entities only in a small degree.

A rated entities have a strong capacity to pay interest and repay principal in a timely manner, although they may be somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than those in higher rating categories.

BBB rated entities have a satisfactory or adequate capacity to pay interest and repay principal in a timely manner. Protection levels are more likely to be weakened by adverse changes in circumstances and economic conditions than for borrowers in higher rating categories.

BB rated entities face ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to a less adequate capacity to meet timely debt service commitments.

B rated entities are more vulnerable to adverse business, financial or economic conditions than entities in higher rating categories. This vulnerability is likely to impair the borrower's capacity or willingness to meet timely debt service commitments.

CCC rated entities have a currently identifiable vulnerability to default and are dependent upon favourable business, financial and economic conditions to meet timely debt service commitments. In the event of adverse business, financial or economic conditions, they are not likely to have the capacity to pay interest and repay principal.

CC is typically applied to debt subordinated to senior debt that is assigned an actual or implied "**CCC**" rating.

C rated entities have high risk of default or are reliant on arrangements with third parties to prevent defaults.

D rated entities are in default. The rating is assigned when interest payments or principal payments are not made on the date due, even if the applicable grace period has not expired. The "**D**" rating is also used upon the filing of insolvency petition or a request to appoint a receiver if debt service payments are jeopardised.

Entities rated "**BB**", "**B**", "**CC**" and "**C**" are regarded as having predominately speculative characteristics with respect to the capacity to pay interest and repay principal. "**BB**" indicates the least degree of speculation and "**C**" the highest. While such entities will likely to have some quality and protective characteristics, these are outweighed by large uncertainties or major exposures to adverse conditions.

The ratings from "**AA**" to "**CCC**" may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

Credit Watch highlights an emerging situation which may materially affect the profile of a rated corporation.

Short-term Ratings Including Commercial paper (up to 12 months).

A1 rated entities possess a strong degree of safety regarding timely payment. Those entities determined to possess extremely strong safety characteristics are denoted with an "**A1+**" designation.

A2 rated entities have a satisfactory capacity for timely payment. However the relative degree of safety is not as high as for those rated "**A1**".

A3 rated entities have an adequate capacity for timely repayment. They are more vulnerable to the adverse effects of changes in circumstances than obligations carrying the higher designations.

Entities receiving a “B” rating have only a speculative capacity for timely payment. Those with “B1” have a greater capacity to meet obligations and are somewhat less likely to be weakened by adverse changes in the environment and economic conditions than those rated “B2”.

C1 rated entities possess a doubtful capacity for payment.

D1 rated entities are in default.

Appendix VI

Tasman District Council Bank Accounts

- General Fund Account
- Loan Account
- Direct Credit Account
- Takaka Imprest Account
- Motueka Imprest Account
- General Disaster Relief Fund
- Classified Rivers Protection Fund
- Self Insurance Fund

Appendix VII

Specified Reserve Accounts

Tasman District Council will maintain separate bank accounts for the following specified reserve accounts:

- Pinegrove Trust
- Port Dividend Trust
- General Disaster Relief Fund
- Classified Rivers Protection Fund
- Self Insurance Fund

Feel free to contact us:



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